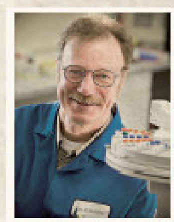
ALBEMARLE®

Global Reporting Initiative

Report on 2009 Sustainability Performance



GRI Application Level

GRI Checked - Level A

GRI REPORT
GRI CHECKED

G3 Profile Disclosures	Criteria 1.1 – 4.17 included in the report
G3 Management Approach Disclosures	Management Approach Disclosures Included for each Indicator Category
G3 Performance Indicators	Performance reported on all Core Indicators

Table of Contents

The Table of Contents is organized consistent with the Global Reporting Initiative G3 Protocol. The content and information used to assemble Albemarle's Sustainability report is sourced from numerous locations. The location within the section where Indicator information begins is indicated in the Table of Contents.

1.0 Strategy and Analysis

1.1 Statement from CEO/Management

Across the Albemarle family, we share a deep personal responsibility to create solutions that deliver stakeholder value and improve the quality of life for those around us. As a company seriously committed to sustainability, we know that our ongoing success demands a constant, unrelenting focus on product innovation, environmental stewardship and community outreach. We have to step it up every day – and we're confident that our principles of sustainability provide strong guidance for purpose-driven growth and long-term success.

In 2009, Albemarle achieved the best safety record in company history while also reducing greenhouse gas emissions and Toxics Release Inventory (TRI) emissions from our processes . Our work to encourage and help others reduce emissions has also had a positive impact.

The Albemarle Foundation grew in scope and outreach as well. Last year, employee volunteerism and Foundation support helped build housing for those in need, created public nature preserves, made significant contributions to local charities and volunteered thousands of hours to help make the places where we live and work healthy and thriving. New products were launched with outstanding environmental profiles, and we introduced new manufacturing processes and technologies that will minimize our environmental footprint for years to come.

As with any endeavor, our success comes directly from the energy, innovation and integrity of the 4,000 Albemarle Corporation employees who live by our principles every day. Their efforts in 2009 led *Corporate Responsibility Magazine* to recognize Albemarle as one of the 100 Best Corporate Citizens for 2010. That's quite an honor for our workforce and one that we hope to repeat many times.

Looking forward, we believe more than ever in our ability to be a positive force across the globe. We continue to approach business opportunities with a clear understanding of our social and environmental responsibilities, and we're energized by the possibilities that our combination of innovation and stewardship can provide.

Mark Rohr
Chairman and CEO

1.2 Description of key impacts, risks, and opportunities.
From Albemarle 10-K

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

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

Our inability to pass through increases in costs and expenses for raw materials and energy, on a timely basis or at all, could have a material adverse effect on the margins of our products.

Our raw material and energy costs can be volatile and may increase significantly. Increases are primarily driven by significantly tighter market conditions and major increases in pricing of basic building blocks for our products such as crude oil, chlorine and metals, including molybdenum, which is used in the refinery catalysts business. We generally attempt to pass changes in the prices of raw materials and energy to our customers, but we may be unable to or be delayed in doing so. Our inability to pass through price increases or any limitation or delay in our passing through price increases could adversely affect our margins.

In addition to raising prices, raw material suppliers may extend lead times or limit supplies. Constraints on the supply or delivery of critical raw materials could disrupt production and adversely affect the performance of our business.

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

We operate in a highly competitive marketplace, competing against a number of domestic and foreign specialty chemical producers. Competition is based on several key criteria, including product performance and quality, product price, product availability and security of supply, responsiveness of product development in cooperation with customers and customer service. Some of our competitors are larger than we are and may have greater financial resources. These competitors may also be able to maintain significantly greater operating and financial flexibility than we do. As a result, these competitors may be better able to withstand changes in conditions within our industry, changes in the prices of raw materials and energy and in general economic conditions. Additionally, competitors' pricing decisions could compel us to decrease our prices, which could affect our margins and profitability adversely. Our ability to maintain or increase our profitability is, and will continue to be, dependent upon our ability to offset decreases in the prices and margins of our products by improving production efficiency and volume, shifting to higher margin chemical products and improving existing products through innovation and research and development. If we are unable to do so or to otherwise maintain our competitive position, we could lose market share to our competitors.

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

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

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

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

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

Our customers use our specialty chemicals for a broad range of applications. Changes in our customers' products or processes may enable our customers to reduce consumption of the specialty chemicals that we produce or make our specialty chemicals unnecessary. Customers may also find alternative materials or processes that no longer require our products. For example, many of our flame retardants are incorporated into resin systems to enhance the flame retardancy of a particular polymer. Should a customer decide to use a different polymer due to price, performance or other considerations, we may not be able to supply a product that meets the customer's new requirements. Consequently, it is important that we develop new products to replace the sales of products that mature and decline in use. Our business, results of operations, cash flows and margins could be materially adversely affected if we are unable to manage successfully the maturation of our existing products and the introduction of new products.

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

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

We also expect competition to increase as our competitors develop and introduce new and enhanced products. For example, our Fine Chemicals segment is experiencing increased competition from large-scale producers of pharmachemicals, particularly from Asian sources. In our Catalysts segment, our petroleum refinery customers are processing crude oil feedstocks of declining quality, while at the same time operating under increasingly stringent regulations requiring the gasoline, diesel and other fuels they produce to contain fewer impurities, including sulfur. As a result, our petroleum refining customers are demanding more effective and more cost-effective catalysts products. As new products enter the market, our products may become obsolete or competitors' products may be marketed more effectively than our products. If we fail to develop new products, maintain or improve our margins with our new products or keep pace with technological developments, our business, financial condition, results of operations and cash flows will suffer.

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

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

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

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

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

We conduct a substantial portion of our business outside of the United States. We and our joint ventures currently have approximately 30 facilities located outside the United States, including facilities and offices located in Austria, Australia, Belgium, Brazil, France, Germany, Hungary, India, Italy, Japan, Jordan, Korea, the Netherlands, the People's Republic of China, Russia, Saudi Arabia, Singapore, United Arab Emirates and the United Kingdom. We expect sales from international markets to continue to represent a significant portion of our net sales and the net sales of our joint ventures. Accordingly, our business is subject to risks related to the differing legal, political, social and regulatory requirements and economic conditions of many jurisdictions. Risks inherent in international operations include the following:

- fluctuations in exchange rates may affect product demand and may adversely affect the profitability in U.S. Dollars of products and services we provide in international markets where payment for our products and services is made in the local currency;
- transportation and other shipping costs may increase;
- intellectual property rights may be more difficult to enforce;
- foreign countries may impose additional withholding taxes or otherwise tax our foreign income, or adopt other restrictions on foreign trade or investment, including currency exchange controls;
- trade sanctions could result in losing access to customers and suppliers in those countries;
- unexpected adverse changes in foreign laws or regulatory requirements may occur;
- agreements may be difficult to enforce and receivables difficult to collect;
- compliance with a variety of foreign laws and regulations may be burdensome;
- unexpected adverse changes in export duties, quotas and tariffs and difficulties in obtaining export licenses;
- general economic conditions in the countries in which we operate could have an adverse effect on our earnings from operations in those countries;
- foreign operations may experience staffing difficulties and labor disputes;
- foreign governments may nationalize private enterprises; and
- our business and profitability in a particular country could be affected by political or economic repercussions on a domestic, country specific or global level from terrorist activities and the response to such activities.

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

We are exposed to fluctuations in foreign exchange rates, which may adversely affect our operating results and net income.

We conduct our business and incur costs in the local currency of most of the countries in which we operate. The financial condition and results of operations of each of our foreign operating subsidiaries and consolidated joint ventures are reported in the relevant functional currency and then translated to U.S. Dollars at the applicable currency exchange rate for inclusion in our consolidated financial statements. Changes in exchange rates between these foreign currencies and the U.S. Dollar may adversely affect the recorded levels of our assets and liabilities because foreign assets and liabilities, as well as net sales, cost of goods sold and operating margins, that are translated into U.S. Dollars for presentation in our financial statements could result in exchange losses. The primary currencies for which we have foreign currency rate exposure are the European Union Euro, Japanese Yen, British Pound Sterling, Korean Won, Chinese Yuan and the U.S. Dollar (in certain of our foreign locations). Exchange rates between these currencies and the U.S. Dollar in recent years have fluctuated significantly and may do so in the future. Significant changes in these foreign currencies relative to the U.S. Dollar could also have an adverse effect on our ability to meet interest and principal payments on any foreign currency-denominated debt outstanding. In addition to currency translation risks, we incur currency transaction risks whenever one of our operating subsidiaries or joint ventures enters into either a purchase or sales transaction using a different currency from the currency in which it receives revenues. Our operating results and net income may be affected by any volatility in currency exchange rates and our ability to manage effectively our currency transaction and translation risks.

We incur substantial costs in order to comply with extensive environmental, health and safety laws and regulations.

In the jurisdictions in which we operate, we are subject to numerous federal, state and local environmental, health and safety laws and regulations, including those governing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated properties. Ongoing compliance with such laws and regulations is an important consideration for us and we incur substantial capital and operating costs in our compliance efforts. Environmental laws have become increasingly strict in recent years. We expect this trend to continue and anticipate that compliance will continue to require increased capital expenditures and operating costs.

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

If we violate environmental, health and safety laws or regulations, in addition to being required to correct such violations, we can be held liable in administrative, civil or criminal proceedings for substantial fines and other sanctions could be imposed that could disrupt or limit our operations. Liabilities associated with the investigation and cleanup of hazardous substances, as well as personal injury, property damages or natural resource damages arising from the release of, or exposure to, such hazardous substances, may be imposed in many situations without regard to violations of laws or regulations or other fault, and may also be imposed jointly and severally (so that a responsible party may be held liable for more than its share of the losses involved, or even the entire loss). Such liabilities may also be imposed on many different entities with a relationship to the hazardous substances at issue, including, for example, entities that formerly owned or operated the property affected by the hazardous substances and entities that arranged for the disposal of the hazardous substances at the affected property, as well as entities that currently own or operate such property. Such liabilities can be difficult to identify and the extent of any such liabilities can be difficult to predict. We use, and in the past have used, hazardous substances at many of our facilities, and we have in the past, and may in the future, be subject to claims relating to exposure to hazardous materials and the associated liabilities may be material. We also have generated, and continue to generate, hazardous wastes at a number of our facilities. Some of our facilities also have lengthy histories of manufacturing or other activities that have resulted in site contamination. We have also given contractual indemnities for environmental conditions relating to facilities we no longer own or operate. The nature of our business, including historical operations at our current and former facilities, exposes us to risks of liability under these laws and regulations due to the production, storage, use, transportation and sale of materials that can cause contamination or personal injury if released into the environment. Additional information may arise in the future concerning the nature or extent of our liability with respect to identified sites, and additional sites may be identified for which we are alleged to be liable, that could cause us to materially increase our environmental accrual or the upper range of the costs we believe we could reasonably incur for such matters.

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

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

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

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

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

The only brominated flame retardant that we currently sell that has been banned for specified applications to date is decabromodiphenyl ether, which was banned for some applications in the States of Washington, Maine, Oregon and Vermont. In 2009 the State of Vermont passed a law that bans the use of decabromodiphenyl ether as a flame retardant in mattresses and upholstered furniture after July 1, 2010, and in televisions and computers after July 1, 2012. The State of Oregon also passed a ban on the use of decabromodiphenyl ether as a flame retardant after January 1, 2011. In December 2009, we, along with other leading producers announced a voluntary withdrawal, in cooperation with the EPA, from the production and sale of decabromodiphenyl ether in the U.S. over a period of three to four years. However, bills to restrict or ban the use of decabromodiphenyl ether are still under consideration in several states and in the U.S. House of Representatives.

Norway restricted decabromodiphenyl ether in April 2008, except for certain transportation applications. On April 1 2008, the European Court of Justice annulled the exemption of decabromodiphenyl ether from the RoHS Directive, ruling that the European Commission had followed an incorrect procedure when adopting the exemption. As a consequence, the use of decabromodiphenyl ether in electrical and electronic equipment was banned in the European Union effective July 1, 2008. In 2009, approximately 1% of our net sales were derived from decabromodiphenyl ether. None of these legislative restrictions has caused or is expected to cause a significant adverse effect on our profitability.

Additionally, agencies in the European Union continue to evaluate the risks to human health and the environment associated with certain brominated flame retardants, including decabromodiphenyl ether, hexabromocyclododecane and tetrabromobisphenol A. We manufacture each of these brominated flame retardants. In 2009 the United Nations' UNECE agency decided that hexabromocyclododecane meets the technical requirements to be considered a "persistent organic pollutant", or POP. Additional evaluations will be conducted before any action is taken against the sale of hexabromocyclododecane. Our expectation is that, if no exemptions to the POP ruling are granted, the sale of hexabromocyclododecane could be banned in Europe as soon as mid-2012.

Additional government regulations, including limitations or bans on the use of brominated flame retardants, would likely result in a decline in our net sales of brominated flame retardants and have an adverse effect on our sales and profitability. In addition, the threat of additional regulation or concern about the impact of brominated flame retardants on human health or the environment could lead to a negative reaction in our markets that could reduce or eliminate our markets for these products, which could have an adverse effect on our sales and profitability.

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

Our products provide important performance attributes to our customers' products. If a product fails to perform in a manner consistent with quality specifications or has a shorter useful life than guaranteed, a customer could seek replacement of the product or damages for costs incurred as a result of the product failing to perform as guaranteed. These risks apply to our refinery catalysts in particular because, in certain instances, we sell our refinery catalysts under agreements that contain limited performance and life cycle guarantees. A successful claim or series of claims against us could have a material adverse effect on our financial condition and results of operations and could result in a loss of one or more customers.

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

Our ability to generate sufficient cash flow from operations to make scheduled payments on our debt depends on a range of economic, competitive and business factors, many of which are outside our control. Based on a weighted average interest rate of 2.8% and outstanding borrowings at December 31, 2009 of $812.7 million, our annual interest expense would be approximately $22.8 million. A hypothetical 10% change (approximately 8 basis points) in the average interest rate applicable to the variable portion of such borrowings would change our annualized interest expense by approximately $0.4 million. Our business may not generate sufficient cash flow from operations to service our debt obligations. If we are unable to service our debt obligations, we may need to refinance all or a portion of our indebtedness on or before maturity, reduce or delay capital expenditures, sell assets or raise additional equity. We may not be able to refinance any of our indebtedness, sell assets or raise additional equity on commercially reasonable terms or at all, which could cause us to default on our obligations and impair our liquidity. Our inability to generate sufficient cash flow to satisfy our debt obligations, or our inability to refinance our credit facilities at existing interest rate spreads or at other commercially reasonable terms, could have a material adverse effect on our business and financial condition.

Conditions in the global credit markets have improved in recent months but remain tenuous relative to the credit environment 18-24 months ago. More stringent credit standards and heightened uncertainty regarding the impact of prospective regulatory changes regarding capitalization and other requirements of major financial institutions are factors that could impede our ability to refinance our obligations on commercially reasonable terms and result in a material adverse effect on our business or financial condition. Since we extended the maturity of our March 2007 credit agreement in early 2008, before the recent period of financial and credit market volatility manifested, we do not have any significant obligation maturing before 2013. Availability under existing committed credit facilities is expected to be sufficient for our working capital and capital expenditure needs.

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

Our March 2007 credit agreement and the indenture governing the senior notes contain certain restrictive covenants. These covenants provide constraints on our financial flexibility. The failure to comply with the covenants in our March 2007 credit agreement, the indenture governing the senior notes and the agreements governing other indebtedness, including indebtedness incurred in the future, could result in an event of default, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations. See "Financial Condition and Liquidity—Long-Term Debt" in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations on page 38.

A downgrade of the ratings on our debt or an increase in interest rates will cause our debt service obligations to increase.

Borrowings under our March 2007 credit agreement bear interest at floating rates. The rates are subject to adjustment based on the ratings of our senior unsecured long-term debt by Standard & Poor's Ratings Services, or S&P, and Moody's Investors Services, or Moody's. S&P has rated our senior unsecured long-term debt as BBB and Moody's has rated our senior unsecured long-term debt as Baa2. S&P and/or Moody's may, in the future, downgrade our ratings. The downgrading of our ratings or an increase in benchmark interest rates would result in an increase of our interest expense on borrowings under our March 2007 credit agreement. In addition, the downgrading of our ratings could adversely affect our future ability to obtain funding or materially increase the cost of any additional funding.

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

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

Weather-related matters could impact our results of operations.

In 2005 and again in the third quarter of 2008, major hurricanes caused significant disruption to the operations on the U.S. Gulf Coast for many of our customers and our suppliers of certain raw materials, which had an adverse impact on volume and cost for some of our products. If similar weather-related matters occur in the future, it could negatively affect our results of operations at our sites in this region.

The insurance that we maintain may not fully cover all potential exposures.

We maintain property, business interruption and casualty insurance but such insurance may not cover all risks associated with the hazards of our business and is subject to limitations, including deductibles and maximum liabilities covered. We may incur losses beyond the limits, or outside the coverage, of our insurance policies, including liabilities for environmental remediation. In addition, from time to time, various types of insurance for companies in the specialty chemical industry have not been available on commercially acceptable terms or, in some cases, have not been available at all. We are potentially at risk if one or more of our insurance carriers fail. Additionally, severe disruptions in the domestic and global financial markets could adversely impact the ratings and survival of some insurers. Future downgrades in the ratings of enough insurers could adversely impact both the availability of appropriate insurance coverage and its cost. In the future, we may not be able to obtain coverage at current levels, and our premiums may increase significantly on coverage that we maintain.

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

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

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

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

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

As of December 31, 2009, we had 3,950 employees. Approximately 18% of our 2,035 U.S. employees are unionized. Our collective bargaining agreements expire in 2010 and 2011. In addition, a large number of our employees are employed in countries in which employment laws provide greater bargaining or other rights to employees than the laws of the U.S. Such employment rights require us to work collaboratively with the legal representatives of the employees to effect any changes to labor arrangements. For example, most of our employees in Europe are represented by workers' councils that must approve any changes in conditions of employment, including salaries and benefits and staff changes, and may impede efforts to restructure our workforce. Although we believe that we have a good working relationship with our employees, a strike, work stoppage or slowdown by our employees or significant dispute with our employees could result in a significant disruption of our operations or higher ongoing labor costs.

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

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

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

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

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

- potential disruption of our ongoing business and distraction of management;
- unforeseen claims and liabilities, including unexpected environmental exposures;
- unforeseen adjustments, charges and write-offs;
- problems enforcing the indemnification obligations of sellers of businesses or joint venture partners for claims and liabilities;
- unexpected losses of customers of, or suppliers to, the acquired business;
- difficulty in conforming the acquired business' standards, processes, procedures and controls with our operations;
- variability in financial information arising from the implementation of purchase price accounting;
- inability to coordinate new product and process development;
- loss of senior managers and other critical personnel and problems with new labor unions; and
- challenges arising from the increased scope, geographic diversity and complexity of our operations.

Although our pension plans currently meet minimum funding requirements, events could occur that would require us to make significant contributions to the plans and reduce the cash available for our business.

We have several defined benefit pension plans around the world, including in the U.S., the Netherlands, Germany, Belgium, and Japan, covering most of our employees. The U.S. plans represent approximately 92% of the total liabilities of the plans worldwide. We are required to make cash contributions to our pension plans to the extent necessary to comply with minimum funding requirements imposed by the various countries' benefit and tax laws. The amount of any such required contributions will be determined annually based on an actuarial valuation of the plans as performed by the plans' actuaries.

During 2009, we made a $25.0 million voluntary contribution to our U.S. qualified defined benefit pension plans. We anticipate that the funded status of each of our U.S. qualified defined benefit pension plans will be at least 80% and, therefore, the plans will not be subject to benefit limitations in conjunction with the Pension Protection Act of 2006. Further, based on the $25.0 million contribution made in December 2009, no minimum contribution is expected to be required for 2010. However, we may choose to make additional voluntary pension contributions in 2010. Contributions after 2010 could vary depending on factors such as asset returns, then-current interest rates, and legislative changes. The amount we may elect or be required to contribute to our pension plans in the future may increase significantly. These contributions could be substantial and would reduce the cash available for our business.

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

Chemical-related assets may be at greater risk of future terrorist attacks than other possible targets in the U.S. and throughout the world. As an American Chemistry Council member company, we have completed vulnerability assessments of our U.S. manufacturing locations and meet the requirements of this industry standard. We have a corporate security standard and audit our facilities for compliance. Recent investments have been made to upgrade site security. However, federal legislation is under consideration that could impose new site security requirements, specifically on chemical manufacturing facilities, which may increase our overhead expenses.

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

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

2.0 Organizational Profile

2.1 Name of Organization

Albemarle Corporation

2.2 Primary Brands, Products and/or Services

We are a leading global developer, manufacturer and marketer of highly-engineered specialty chemicals for consumer electronics, petroleum refining, utilities, packaging, construction, automotive/transportation, pharmaceuticals, crop protection, food-safety and custom chemistry services. We are committed to global sustainability and are advancing responsible eco-practices and solutions in our three business segments. We believe that our commercial and geographic diversity, technical expertise, flexible, low-cost global manufacturing base, and experienced management team enable us to maintain leading market positions in those areas of the specialty chemicals industry in which we operate.

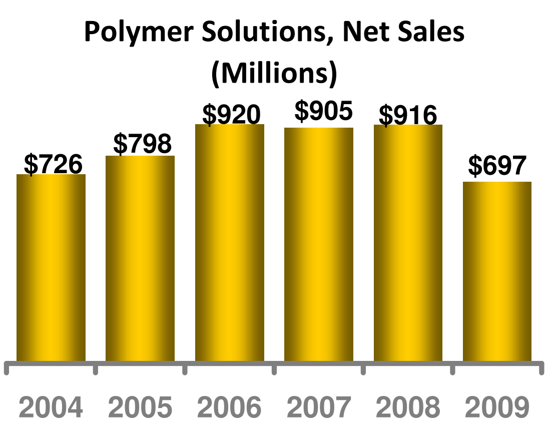
Business Segments

Our operations are managed and reported as three operating segments: Polymer Solutions, Catalysts and Fine Chemicals.

For financial information regarding our operating segments, including revenues generated for each of the last three fiscal years from each of the product categories included in our operating segments, and geographic areas, see Note 23, "Operating Segments and Geographic Area Information" to our consolidated financial statements included in Item 8 beginning on page 44 [in Albemarle's published 10-K report].

Polymer Solutions

Our Polymer Solutions (formerly Polymer Additives) segment consists of two product market categories: flame retardants and stabilizers and curatives.



Flame Retardants. Our flame retardant technology enables the use of plastics in high performance applications by enhancing the fire safety properties of these materials. Some of the end market products that benefit from our flame retardants include plastic enclosures for consumer electronics, printed circuit boards, wire and cable, electrical connectors, textiles, foam insulation, and foam seating in furniture and automobiles. We compete in all of the markets for the major flame retardant chemistries: brominated, mineral and phosphorus. Our brominated flame retardants include products such as Saytex®; our mineral-based flame retardants include products such as Martinal® and Magnifin®; and our phosphorus-based flame retardants include products such as Antiblaze® and Ncendx®. Our strategy is to have a broad range of chemistries applicable to each major flame retardant application.

Stabilizers and Curatives. We produce plastic and other additives, such as curatives, antioxidants and stabilizers, which are often specially developed and formulated for a customer's specific manufacturing requirements. Our additives products include curatives for polyurethane, polyurea, and epoxy system polymerization. This business also produces antioxidants and stabilizers to improve the performance integrity of thermoplastic resins. We are well-positioned for global growth, notably with our leading antioxidant supplier position in the rapidly growing Chinese market.

Our Ethacure® curatives are used in cast elastomers, coatings, reaction injection molding (RIM) and specialty adhesives that are incorporated into products such as wheels, tires and rollers. Our line of Ethanox® antioxidants is used by manufacturers of polyolefins to maintain physical properties during the manufacturing process, including the color of the final product. These antioxidants are found in applications such as slit film, wire and cable, food packaging and pipes.

We also produce antioxidants used in fuels and lubricants. Our line of Ethanox® fuel and lubricant antioxidants are used by refiners and fuel marketers to extend fuel storage life and protect fuel systems, and by oil marketers and lubricant manufacturers to extend the useful life of lubricating oils, fluids and greases used in engines and various types of machinery.

Our joint venture, Stannica LLC, produces organic and inorganic tin intermediates used as a key raw material in the production of tin based PVC heat stabilizers. Tin stabilizers are used in the processing of rigid (pipe, window profiles, siding, fencing) and some flexible (packaging) PVC applications. PVC heat stabilizers help prevent the thermal degradation of PVC resins during periods of elevated temperature exposure, such as during processing, and help extend the useful life of finished products.

Customers

Our Polymer Solutions segment offers more than 70 products to a variety of end-markets. We sell our products mostly to chemical manufacturers and processors, such as polymer resin suppliers, lubricant manufacturers, refiners and other specialty chemical companies.

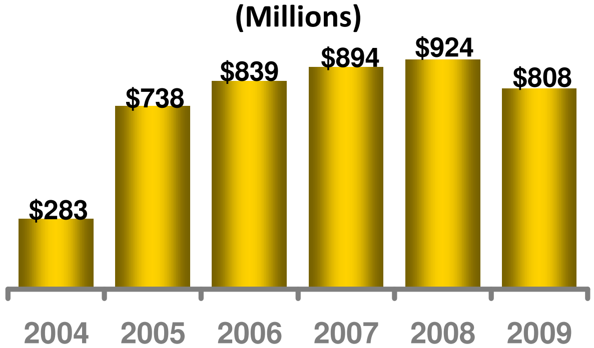
Sales of Polymer Solutions in Asia are expected to grow long-term due to the underlying growth in consumer demand and the shift of the production of consumer electronics from the United States, or U.S., and Europe to Asia. In response to this development, we have established a sales and marketing network in China, Japan, Korea and Singapore with products sourced from the U.S., Europe, China and the Middle East. We are now operating three production facilities in China to deliver polymer solutions to this rapidly growing market.

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

Catalysts

Our Catalysts segment includes refinery catalysts and polyolefin catalysts product categories.

Catalysts, Net Sales (Millions)



Refinery Catalysts. Our two main refinery catalysts product lines are hydroprocessing, or HPC, catalysts and fluidized catalytic cracking, or FCC, catalysts and additives. In renewable, non-crude based fuels, we have also launched new catalysts for customers, along with ongoing research and development initiatives with additional potential customers.

HPC catalysts are primarily used to reduce the quantity of sulfur and other impurities in petroleum products as well as to convert heavy feedstock into lighter, more valuable products. FCC catalysts assist in the cracking of petroleum streams into derivative, higher-value products such as fuels and petrochemical feedstock. Our FCC additives are used to remove sulfur in gasoline and to reduce emissions of sulfur dioxide and nitrogen oxide in FCC units, to increase liquefied petroleum gas olefins yield and to boost octane in gasoline. We offer more than 90 different HPC catalysts products and more than 70 different FCC catalysts and additives products to our customers.

***Polyolefin Catalysts**.* We manufacture aluminum- and magnesium-alkyls, which are used as co-catalysts in the production of polyolefins, elastomers, alpha olefins, such as hexene, octene and decene, and organotin heat stabilizers and are used in the preparation of organic intermediates. We also produce metallocene/single-site catalysts, which aid in the development and production of new polymers that increase impact strength, clarity and melt characteristics of plastic films. We are continuing to build on our organometallics base and to expand the portfolio of products and capabilities we offer our customers.

Customers

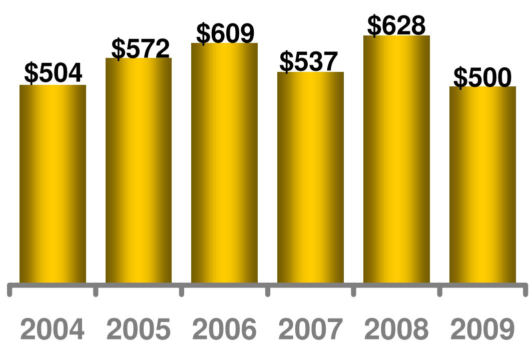
Our Catalysts segment customers include multinational corporations such as ExxonMobil Corporation, Royal Dutch Petroleum Company and Chevron Corporation; independent petroleum refining companies such as Valero Energy Corporation and Tesoro Petroleum Corporation; and national petroleum refining companies such as Saudi Aramco Mobil Refinery Company Ltd., Petróleo Brasileiro S.A. and Petróleos Mexicanos.

We estimate that there are currently approximately 450 FCC units being operated globally, each of which requires a constant supply of FCC catalysts. In addition, we estimate that there are approximately 2,000 HPC units being operated globally, each of which typically requires replacement HPC catalysts once every one to three years.

Fine Chemicals

Our Fine Chemicals segment consists of two categories: performance chemicals and fine chemistry services and intermediates.

Fine Chemistry, Net Sales (Millions)



Performance Chemicals. Performance chemicals include products such as elemental bromine, alkyl bromides, inorganic bromides, brominated powdered activated carbon and a number of bromine fine chemicals. Our products are used in chemical synthesis, oil and gas well drilling and completion fluids, mercury control, paper manufacturing, water purification, beef and poultry processing and various other industrial applications. Other performance chemicals that we produce include tertiary amines for surfactants, biocides, disinfectants and sanitizers; potassium-based products used in industrial applications; alkenyl succinic anhydride used in paper-sizing formulations; and aluminum oxides used in a wide variety of refractory, ceramic and polishing applications. We sell these products to customers throughout the world for use in personal care products, automotive insulation, foundry bricks and other industrial products.

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

Our most significant pharmaceutical bulk active is ibuprofen. Ibuprofen is widely used to provide temporary pain relief and fever reduction. Bulk ibuprofen is formulated by pharmaceutical companies that sell in both the prescription and over-the-counter markets. This product competes against other painkillers, including aspirin and acetaminophen. We are one of the largest global producers of ibuprofen. We also produce a range of intermediates used in the manufacture of a variety of over-the-counter and prescription drugs.

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

In recent years, the market for methyl bromide has changed significantly, driven by the Montreal Protocol of 1990 and related regulation prompted by findings regarding the chemical's potential to deplete the ozone layer. Methyl bromide is injected into the soil by end users before planting to eliminate bacteria, nematodes, fungus and weeds. Methyl bromide is used on high-value crops, such as strawberries, tomatoes, melons and peppers.

We will continue to sell methyl bromide in our current markets throughout 2010, as current regulations allow, with similar critical-use allowances compared to 2009. In accordance with the Montreal Protocol and the U.S. Clean Air Act, completion of the phase-out of methyl bromide as a fumigant in the U.S., Western Europe and Japan took effect in 2005. Methyl bromide, however, can continue to be used for "critical uses" where there are no other alternatives. Growers submit applications on a yearly basis detailing the amount of methyl bromide they will need for critical uses. Once approved by the U.S. Environmental Protection Agency, or EPA, the U.S. submits the application for approval by the parties to the Montreal Protocol. The critical use process is done annually and will continue until feasible alternatives are available. Certain other markets for methyl bromide, including quarantine and pre-shipment and chemical intermediate uses, are not restricted by the Montreal Protocol.

Customers

Our Fine Chemicals segment manufactures more than 100 products, which are used in a variety of end-markets. Sales of products and services are mostly to chemical manufacturers and processors, including pharmaceutical, agricultural, drilling and oil services, water treatment and photographic companies, and to other specialty chemical companies.

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

Sales, Marketing and Distribution

We have an international strategic account program that uses cross-functional teams to serve large global customers. This program emphasizes creative strategies to improve and strengthen strategic customer relationships with emphasis on creating value for customers and promoting post-sale service. We also use more than 50 selected distributors, commissioned sales representatives and specialists in specific market areas, some of which are subsidiaries of large chemical companies.

Research and Development

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

Our research and development efforts support each of our business segments. The focus of research in Polymer Solutions is divided among new and improved flame retardants, plastic and other additives and blends, and curing agents. Flame retardant research is focused primarily on developing new flame retardants which not only meet the higher performance requirements required by today's polymer producers, formulators, and original equipment manufacturers but which also have superior toxicological and environmental profiles, such as our newly introduced Earthwise™ brand, which provides polymer solutions that are greatly enhanced in both end product performance and environmental responsibility. Plastic and other additives research is focused primarily on developing improved capabilities to deliver commodity and value-added plastic and other additive blends to the polymer market. Curatives research is focused primarily on improving and extending our line of curing agents and formulations.

Catalysts research is focused on the needs of our refinery catalysts customers, our polyolefin catalysts customers, and the developing markets for advanced biofuels. Refinery catalysts research is focused primarily on the development of more effective catalysts and related additives to produce clean fuels and to maximize the production of the highest value refined products. In the polyolefin area, we are focused primarily on developing catalysts, co-catalysts and finished catalysts systems for polymer producers to meet the market's demand for improved polyolefin polymers and elastomers. For biofuel production, we work closely with customers to develop sustainable and efficient liquid fuels from renewable resources, including the supply of catalysts for the production of high-performance biodiesel.

The primary focus of our Fine Chemicals research program is the development of efficient processes for the manufacture of chemical intermediates and actives for the pharmaceutical and agrichemical industries. Another area of research is the development of bromine-based products for use as biocides in industrial water treatment and food safety applications and as additives used to reduce mercury emissions from coal-fired power plants.

We have recognized research and development expenses of $60.9 million, $67.3 million, and $62.7 million in 2009, 2008, and 2007, respectively.

2.3 Operational structure of the organization and major division, operating companies
The Authority to manage the business ultimately rests with the Board of Directors. The role of the board is to effectively govern the affairs of the organization for the benefit of it stakeholders.

Albemarle is organized into three major divisions: Polymer Additives (flame retardants, stabilizers, and curatives), Fine Chemicals (performance chemicals, pharmachemicals, agrichemicals and Fine Chemistry Services and Intermediates) and Catalysts (refinery catalysts,polyolefin catalysts, alternate fuels technology).

2.4 Location of Organization's Headquarters

Albemarle Corporation headquarters are located at 451 Florida Street, Baton Rouge, Louisiana 70801.

2.5 Number of Countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.
2.6 Nature of Ownership and Legal Form
From Albemarle 10-K

Set forth below is information at December 31, 2009 regarding our significant facilities operated by our joint ventures and us:

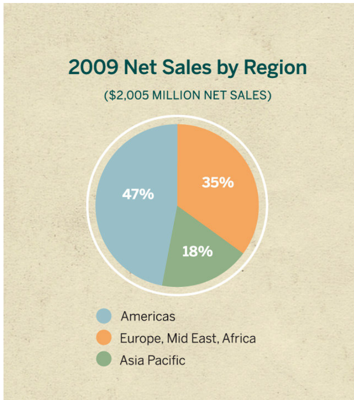
Location	Principal Use	Owned/Leased
Amsterdam, the Netherlands	Production of refinery catalysts, research and product development activities	Owned
Avonmouth, United Kingdom	Production of flame retardants	Owned; on leased land

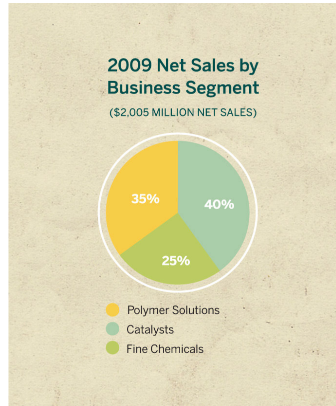
Location	Principal Use	Owned/Leased
Baton Rouge, Louisiana	Research and product development activities, and production of flame retardants, catalysts and additives	Owned; on leased land
Baton Rouge, Louisiana	Principal executive offices	Leased
Bayport, Texas	Production of refinery catalysts, research and development activities	Owned
Bergheim, Germany	Production of flame retardants and specialty products based on aluminum trihydrate and aluminum oxide, and research and product development activities	Owned
Jin Shan District, Shanghai, China	Production of antioxidants and polymer intermediates	Owned; on leased land
Louvain-la-Neuve, Belgium	Regional offices and research and customer technical service activities	Owned
La Voulte, France	Refinery catalysts regeneration and treatment, research and development activities	Owned by Eurecat S.A., a joint venture owned 50% by each of IFP Investissements and us
Magnolia, Arkansas	Production of flame retardants, bromine, inorganic bromides, agricultural intermediates and tertiary amines	Owned
Mobile, Alabama	Production of tin stabilizers	Owned by Arkema Group LLC who operates the plant for Stannica LLC, a joint venture owned by us and Arkema Group LLC

Location	Principal Use	Owned/Leased
Nanjing, China	Technology center, product repackaging and flame retardant production	Owned; on leased land
Niihama, Japan	Production of refinery catalysts	Leased by Nippon Ketjen Company Limited, a joint venture owned 50% by each of Sumitomo Metal Mining Company Limited and us
Ninghai County, Zhejiang Province, China	Production of antioxidants and polymer intermediates	Owned; on leased land
Orangeburg, South Carolina	Production of flame retardants, aluminum alkyls and fine chemicals, including pharmaceutical actives, fuel additives, orthoalkylated phenols, polymer modifiers and phenolic antioxidants	Owned
Pasadena, Texas	Production of aluminum alkyls, alkenyl succinic anhydride, orthoalkylated anilines, and other specialty chemicals	Owned
Pasadena, Texas	Refinery catalysts regeneration services	Owned by Eurecat U.S. Incorporated, a joint venture in which we own a 57.5% interest and a consortium of entities in various proportions owns the remaining interest
Safi, Jordan	Production of bromine and derivatives and flame retardants	Leased by JBC, a joint venture owned 50% by each of Arab Potash Company Limited and us
St. Jakobs/Breitenau, Austria	Production of specialty magnesium hydroxide products	Leased by Magnifin Magnesiaprodukte GmbH & Co. KG, a joint venture owned 50% by each of Radex Heraklith Industriebeteiligung AG and us

Location	Principal Use	Owned/Leased
Santa Cruz, Brazil	Production of catalysts, research and product development activities	Owned by Fábrica Carioca de Catalisadores S.A, a joint venture owned 50% by each of Petrobras Química S.A.—PETROQUISA and us
Shandong, China	Regional sales and administrative offices	Owned by Shandong Sinobrom, a joint venture in which we own a 75% interest and Weifang Sinobrom Import & Export Co, Ltd. owns a 25% interest
South Haven, Michigan	Production of custom fine chemicals including pharmaceutical actives	Owned
Takaishi City, Osaka, Japan	Production of aluminum alkyls	Owned by Nippon Aluminum Alkys, a joint venture owned 50% by each of Mitsui Chemicals, Inc. and us
Teesport, United Kingdom	Production of fine chemicals, including emulsifiers, corrosion inhibitors, scale inhibitors and esters	Owned; on leased land
Twinsburg, Ohio	Production of bromine-activated carbon	Leased
Tyrone, Pennsylvania	Production of custom fine chemicals, agricultural intermediates, performance polymer products and research and development activities	Owned

2.7 Markets Served





2.8 Scale of Organization

We and our joint ventures currently operate 45 facilities, encompassing production, research and development facilities, and administrative and sales offices in North and South America, Europe, the Middle East and Asia. As of December 31, 2009, we had 3960 employees worldwide. We serve approximately 3,000 customers in over 100 countries. For information regarding our unconsolidated joint ventures see Note 8, "Investments" to our consolidated financial statements included in Item 8 beginning on page 44 [in Albemarle's published 10-K report].

2.9 Significant changes during the reporting period regarding size, structure, or ownership.

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

On October 27, 2009, we entered into an agreement with Ibn Hayyan Plastic Products Company (TAYF), an affiliate of Saudi Basic Industries Corporation (SABIC), to form a joint venture called Saudi Organometallic Chemicals Company (SOCC). Under the terms of the joint venture agreement, the two parent companies will build a world-scale organometallics production facility strategically located in the Arabian Gulf Industrial City of Al-Jubail. Start-up of this facility is anticipated by early 2012.

Available Information

Our internet website address is *http://www.albemarle.com*. We make available free of charge through our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, as well as reports on Forms 3, 4 and 5 filed pursuant to Section 16 of the Exchange Act, as soon as reasonably practicable after such documents are electronically filed with, or furnished to, the Securities and Exchange Commission, or the SEC. The information on our website is not, and shall not be deemed to be, a part of this report or incorporated into any other filings we make with the SEC. These reports may also be obtained at the SEC's public reference room at 100 F Street, N.E., Washington, DC 20549. The SEC also maintains a web site at *http://www.sec.gov* that contains reports, proxy statements and other information regarding SEC registrants, including Albemarle.

Our Corporate Governance Guidelines, Code of Business Conduct and the charters of the Audit, Health Safety and Environmental, Executive Compensation, and Nominating and Governance Committees are also available on our website .

2.10 Awards received in the reporting period

Albemarle is proud to be recognized on many fronts for our efforts. We have received awards at both the company and facility level. Albemarle received an award for Green Chemistry from SOCMA. The company also received energy efficiency and safety awards from the American Chemistry council. Albemarle's Health, Safety and Environmental Management system received certification to RC14001:2008 in the United States.

Facility Awards

Bayport, Texas	Texas Chemical Council "Caring for Texas" Award for Safety
Magnolia, Arkansas	Wildlife Habitat Council Corporate Lands for Learning Certification
Orangeburg, South Carolina	Wildlife Habitat Council Wildlife at Work Re-certification
	American Chemistry Council Certificate of Honor for Safety Performance
Jin Shan, China	Science and Technology Progress Award
Ningbo, China	One of the 20 strongest integrated enterprises by Ninghai County Government
	Strong Taxpayer by Ninghai county Government
Teesport, UK	Chemical Industries Association GOLD AWARD for attaining 8 consecutive safety awards for zero Lost Time Accidents for years 2002-2009

3.0 Report Parameters

3.1 Reporting Period

Calendar Year 2009

3.2 Date of most recent report

This is the second publicly released GRI G3 report for Albemarle Corporation. This report is released in 2010 based on 2009 information

3.3 Reporting cycle

Albemarle produces this report annually.

3.4 Contact point for questions regarding the report or contents

Niomi Krzystowczyk, Division Vice President, Health, Safety and Environment
Niomi_Krzystowczyk@albemarle.com

3.5 Process for defining report content, including the process for determining the materiality and prioritization of issues within the report, the identification of stakeholders that the organization expects to use the report

The subjects/material covered in this report were selected based on the GRI guidelines, Albemarle's management systems and their importance to our stakeholders. Quantitative data was reported by each site/department. The data was consolidated at the corporate level by the relevant corporate departments and compiled into this report by Albemarle's sustainability team and representatives. Experts throughout the organization provided the qualitative reporting on various subjects.

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

- Customers
- Shareholders
- Employees
- Communities in which we operate
- Other
    - Media
    - Investment community

3.6 Boundary of the report (countries/regions, division/facilities/JV's/subsidiaries)

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

3.7 State any specific limitations on the scope or boundary of the report

Limitations to this report are based on Albemarle's ability to monitor and track specific data requirements. Limitations or data not included are clearly indicated in the specific sections of the report.

3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.

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

3.9 Data measurement techniques and bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report

Bases and techniques of specific calculations are identified in sections specific to indicators.

3.10 Explanation of the nature and effect of any restatements in information provided in previous reports and reasons for restatement(s)

To the best of our knowledge, the information in this report is current and historical information that may be included in previous versions of this or other public reports is consistent.

3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

No significant changes in reporting methods have been identified.

3.12 Standard Disclosure Table

The Standard Disclosure Table is the Table of Contents which begins on Page 3.

3.13 Policy and current practice with regard to seeking independent assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any independent assurance provided as well as nature of the relationship with the assurance provider.

This report is not subjected to a comprehensive external assurance process. Financial, safety and environmental information is subject to both national regulatory requirements as well as internal and external audits. This report contains a consolidation of this information.

4.0 Governance, Commitments and Engagement

4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks such as setting strategy or organizational oversight.

I. Board of Directors

The Directors of Albemarle Corporation are elected by its shareholders to oversee Management and to act in the best interests of the Company and its shareholders.

II. Ethical Business Principles

Integrity and ethical behavior are core values of the Company. The Company's Board of Directors, officers and employees will reflect such principles in the conduct of the Company's business. The Board is responsible to provide the best example of these values and should reinforce their importance at appropriate times. The Nominating and Governance Committee shall periodically review the Company's Code of Business Conduct, including related polices. The Committee shall have Management confirm periodically that the Code of Business Conduct, and related policies, are fully understood and implemented.

III. Board Composition

Given the current size of the Company and the nature of its business, a Board consisting of 7 to 12 members is appropriate.
A majority of the Directors shall be independent. In order for a Director to be considered independent by the Board, he or she must (i) be free of any relationship that, applying the rules of the New York Stock Exchange, would preclude a finding of independence and (ii) not have material relationship (either directly or as a partner, shareholder or officer of an organization) with the Company or any of its affiliates or any executive officer of the Company or any of its affiliates. In evaluating the materiality of any such relationship, the Board of Directors shall take into consideration whether disclosure of the relationship would be required by the proxy rules under the Securities Exchange Act of 1934, as amended. If such disclosure is required, the Board of Directors must make a determination that the relationship is not material as a prerequisite to finding that the Director is independent.

- Diversity of backgrounds and expertise should be emphasized. Whether a Director is qualified to serve depends in part on the backgrounds of the other Directors, so that the Directors as a whole have an appropriate mix of backgrounds and breadth of experience.
- The Director must fit into the corporate culture to maintain the professionalism, collegiality and effectiveness of the Board and Committees.
- Directors must have the ability to understand financial reports, including balance sheets, income statements, statements of cash flow, and the various methods of measuring return on investments. At least three of the Directors shall meet the New York Stock Exchange financial and accounting experience requirements and

the heightened independence standards of the Securities and Exchange Commission ("SEC"). At least one Director shall have sufficient financial experience to qualify as the "audit committee financial expert," as defined by the SEC.

- Whether an individual has sufficient time to serve diligently is an important consideration in the selection of a nominee for the Board. The Nominating and Governance Committee will review each individual's commitments to other boards and organizations and discuss with the nominee or existing Board member any concerns regarding such commitments. In any event, no Director shall serve as a director of more than four other public companies.
- The Nominating and Governance Committee may retain a third-party search firm to assist in the identification of possible candidates for election to the Board of Directors.
- The Nominating and Governance Committee will evaluate all candidates for election to the Board of Directors, regardless of the source from which the candidate was first identified, based upon the totality of the merits of each candidate, and not based solely upon minimum qualifications or attributes.
- When a Director no longer holds the principal position that he or she held when first elected to the Board of Directors, he or she shall tender a letter of resignation to the Chairman, who will discuss the change with the Nominating and Governance Committee. The Nominating and Governance Committee will make a recommendation to the Board of Directors regarding the Director's continued service on the Board.

While the Company does not have a formal retirement policy, the Nominating and Governance Committee will review the desirability of the continuing service of each Director no less often than every three years.

IV. Board Meetings

Directors are expected to attend all meetings, including the Company's annual meeting of shareholders. The Chairman will discuss attendance with any member whose attendance falls below 75% to determine if excessive time conflicts are likely to continue, and whether the member should continue to serve on the Board.

- The Non-Management Directors shall meet as a group in executive session at least twice a year. At these sessions, the Chair shall be the current chair of the Nominating and Governance Committee. The Chair is expected to report to the Chairman any concerns, requests for changes in the Board meetings, or suggestions for future topics of discussion.
- An agenda shall be distributed before each meeting of the Board of Directors with the opportunity provided for each Director to request additions to the agenda.
- Meeting materials will be delivered to each Director in sufficient time in advance of each regular meeting of the Board of Directors to permit a thorough review.

V. Responsibilities of the Board of Directors and Committees

(from the Corporate Governance Guidelines, May 2009)

The Board of Directors and Committees of the Board shall:

- Approve major corporate decisions and oversee, develop and implement Board policies.
- Periodically review the Company's legal compliance programs and procedures.
- Monitor and assess performance and ask appropriate questions of Management to address accountability with established goals.
- Stay well informed regarding the Company's businesses; Management is responsible for providing accurate information to Board members.
- Be a partner with the Chief Executive Officer on strategic issues by advising and consulting.
- Be willing to be proactive in crisis situations.
- Review and approve major capital allocation recommendations of Management.
- Monitor financial statements through the Audit Committee.
- Assume responsibility for the selection, evaluation, retention and succession of the Chief Executive Officer.
- Establish proper governance, which includes a periodic review of the Corporate Governance Guidelines by the Nominating and Governance Committee, the consideration by such Committee of other corporate governance issues and related matters, and any resulting recommendation by such Committee as to the governance issues that should be addressed by the Board of Directors.
- Recruit effective new members; recruiting efforts to be led by the Chairman and the Nominating and Governance Committee
- The Board shall have seven standing committees: Audit, Executive, Executive Compensation, Corporate Governance and Social Responsibility, Health Safety and Environment, Employee Relations and Benefit Plans Investment. The responsibilities of the Executive Committee are set forth in the Bylaws; the responsibilities of the other six committees are set forth in the Bylaws and/or in their respective charters.

VI. Director Compensation and Ownership of Capital Stock

Non-employee directors currently receive reasonable compensation in the form of an annual Director Fee and, if applicable, a Committee Fee and a Chair Fee, each paid quarterly. All elements of compensation and the relative mix of the elements shall be recommended by the Nominating and Governance Committee and approved at least annually by the Board of Directors. Board members are expected to comply with the Company's stock ownership guidelines.

VII. Director Orientation

- The Chairman of the Board shall have responsibility for conducting an orientation for new Directors.
- The Company shall provide periodic opportunities for Director continuing education.

VIII. Board Contacts and Access

Board members have free access to the Company's Management at all times through telephonic, electronic and written means of communication. Directors are expected to consider whether the results of any contact with a member of Management other than the Chief Executive Officer should be reported to the Chief Executive Officer.

- Dealings with the press and with investors generally shall be the sole province of the Chief Executive Officer and his designees. From time to time the Chief Executive Officer may request Director participation.
- Board members may retain independent advisors, from time to time, as appropriate and necessary.

IX. Board Performance Review

The Board of Directors will conduct a self-evaluation at least annually to determine whether it and its Committees are functioning effectively.

X. Chief Executive Officer Performance Review

Board members or the Chairman of the Board shall provide for regular oral communication to the Chief Executive Officer regarding concerns, suggestions, needs and expectations; written communication will be provided to the Chief Executive Officer upon the request of the Board.
The Executive Compensation Committee shall provide an annual review of the Chief Executive Officer's performance.

XI. Chief Executive Officer Succession

The Chief Executive Officer succession planning process shall include a regular Board review. Any review of possible internal candidates should include:

- Readiness and potential
- Demonstrated skills and competencies
- Needed experience and training to fill gaps
- Plan for adequate exposure to Board of Directors

XII. Shareholder Access to Directors

Shareholders may communicate with the Board of Directors by sending written correspondence to the Chairman of the Nominating and Governance Committee at the Company's headquarters in Baton Rouge, Louisiana and by email at governance@albemarle.com. Financial and accounting matters may also be sent directly to the Audit Committee at audit_chair@albemarle.com.

The Chairman of the Nominating and Governance Committee and his or her duly authorized agents shall be responsible for collecting and organizing shareholder communications. Absent a conflict of interest, the Chairman of the Nominating and Governance Committee is responsible for evaluating the materiality of each shareholder communication and determining whether further distribution is appropriate, and, if so, whether to (i) the full Board, (ii) one or more Committee members, (iii) one or more Board members and/or (iv) other individuals or entities.

4.2 Indicate if the Chair of the highest governance body is also an executive officer.

Mark C. Rohr is Albemarle's Chairman of the Board and Chief Executive Officer.

4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.

Albemarle's Board of Directors is elected by its shareholders to oversee management and to act in the best interests of the Company and its shareholders. Integrity and ethical behavior are core values of Albemarle. The Company's Board of Directors, officers and employees reflect these principles in their conduct of the Company's business. The Board is responsible to provide the best example of these values and should reinforce their importance at appropriate times.

Mark Rohr
Chairman of the Board
President and Chief Executive Officer
Baton Rouge, Louisiana

J. Alfred Broaddus, Jr. (Independent)
Retired President
Federal Reserve Bank of Richmond
Richmond, Virginia

R. William Ide, II (Independent)
Partner
McKenna, Long & Aldridge
Atlanta, Georgia

Richard L. Morrill (Independent)
Chancellor
University of Richmond
Richmond, Virginia

John Sherman, Jr. (Independent)
Retired Vice Chairman
Scott & Stringfellow, Inc.
Richmond, Virginia

Charles E. Stewart (Independent)

Retired Executive Vice President
Occidental Chemical Corporation
Greensboro, Georgia

Harriett Tee Taggart (Independent)
Retired Senior Vice President
Wellington Management LLC
Cambridge, Massachusetts

Anne Marie Whittemore (Independent)
Partner
McGuireWoods LLP
Richmond, Virginia

Jim W. Nokes (Independent)
Retired Executive Vice President
Conoco Phillips
Houston, TX

Barry W. Perry (Independent)
Retired Chairman & CEO
Engelhard Corporation
Newton, PA

4.4 Mechanism for shareholders and employees to provide recommendation or direction to the highest governance body

Shareholder Access to Directors

Shareholders and employees may communicate with the Board of Directors by sending written correspondence to the Chairman of the Nominating and Governance Committee at the Company's headquarters in Baton Rouge, Louisiana and by email at governance@albemarle.com. Financial and accounting matters may also be sent directly to the Audit Committee at audit_chair@albemarle.com. A request was made from a stakeholder in 2009 to be included in the Proxy. This request was considered, however no action was taken. No other significant recommendations were received.

4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).

Director Compensation and Ownership of Capital Stock

Non-employee directors currently receive reasonable compensation in the form of an annual Director Fee and, if applicable, a Committee Fee and a Chair Fee, each paid quarterly. All elements of compensation and the relative mix of the elements shall be recommended by the Nominating and Governance Committee and approved at least annually by the Board of Directors. Board members are expected to comply with the Company's stock ownership guidelines.

Executive Compensation Committee

The Executive Compensation Committee of the Company shall consist of not less than three members of the Board of Directors. On recommendation of the Nominating and Governance Committee, the Board of Directors shall appoint the members of the Committee and shall designate the Chairman of the Committee. Each member must satisfy the independence requirements of the New York Stock Exchange ("NYSE") within the time requirements established by the NYSE. The Board of Directors may replace any member of the Committee.

The Committee's primary responsibility is to develop and oversee the implementation of the Company's philosophy with respect to Management compensation. The Committee shall have the overall responsibility for approving and evaluating the compensation plans for executives, including associated policies and programs, on behalf of the Board of Directors. The Committee reports to the Board of Directors on all matters within the Committee's responsibilities.

The Committee shall meet at such times as it determines to be appropriate or at the call of the Chairman of the Committee. It shall have at least two meetings each year.

In carrying out its responsibilities:

The Committee shall have responsibility for developing and maintaining a compensation policy that creates an appropriate relationship between pay levels and corporate performance and returns to shareholders. The Committee shall monitor the results of such policy to assure that the compensation payable to the Company's elected corporate officers provides overall competitive pay levels, creates proper incentives to enhance shareholder value, rewards superior performance, and is justified by the returns available to shareholders.

The Committee shall have responsibility for recommending to the Board of Directors for approval, compensation and benefit plans, which may include amendments to existing plans, cash- and equity-based incentive compensation plans, and non-qualified deferred compensation and retirement plans.

The Committee shall review and approve annually corporate and personal goals and objectives to serve as the basis for the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of those goals and objectives, and set and report to the Board of Directors the Chief Executive Officer's compensation based on that evaluation.

The Committee shall review and set the compensation for the other members of the Executive Committee.

The Committee shall review and approve the annual compensation for elected corporate officers (other than the Executive Committee members), as recommended by the Chief Executive Officer.

In establishing the compensation to be paid or provided to executive officers, the Committee shall utilize where it deems appropriate comparative data regarding compensation practices.

The Committee may retain one or more compensation consultants or other advisors to assist the Committee with these duties. The Committee shall have authority to approve the fees and other retention terms of any such consultant or advisor.

1. The Committee shall administer, except as otherwise delegated pursuant to the terms of such plan(s), the Company's shareholder approved incentive plan(s), including approval of grants of stock options, restricted stock, performance units, stock appreciation rights, and other equity-based incentives to the extent provided under that plan.

2. The Committee shall review and discuss with the Company's management the Compensation Discussion and Analysis required by the Securities and Exchange Committee (CD&A). The Committee shall determine, based on such review and discussions, whether it is going to recommend to the Board of Directors of the Company that the CD&A in the form prepared by management be included in the Company's annual report or proxy statement for the annual meeting of shareholders.

3. The Committee shall provide, over the names of the Committee members, the required Committee report for the Company's proxy statement for the annual meeting of shareholders. This Committee report shall state whether (i) the Committee reviewed and discussed with the Company's management the CD&A, and (ii) based on such review and discussion, the Committee recommended to the Board of Directors that the CD&A be included in the Company's annual report or proxy statement for the annual meeting of shareholders.

The Committee shall have available to it such support personnel, including Management, outside auditors, attorneys and consultants as it deems necessary to discharge its responsibilities.
The Committee shall consider the application of Section 162(m) of the Internal Revenue Code to the Company and its compensation practices and develop a policy for the Company with respect to Section 162(m).
The Committee shall keep minutes of its proceedings. At the next regular Board meeting following any Committee meeting, the Chairman of the Committee shall report to the Board of Directors on behalf of the Committee.
The Chairman of the Committee shall discuss the Committee's performance with each member of the Committee, following which discussions the Chairman shall lead the Committee in an annual evaluation of its performance. The annual evaluation shall include a review of the Committee's charter.
The Committee shall cause to be provided to the NYSE appropriate written confirmation of any of the foregoing matters as the NYSE may from time to time require.

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.

In order to provide sufficient time for informed participation in Board responsibilities, no director shall serve as a director of more than four other public companies and any director who is employed as chief executive officer of a publicly traded company shall not serve as a director of more than two other public companies (in addition to their own board of directors). Current positions in excess of these limits may be maintained unless the Board determines that doing so would impair the director's service on the Board.

The Nominating and Governance Committee reviews any requests by the Chairman/CEO to serve as a director on another public company's board. In no event shall the Chairman/ECO serve on more than two other public company boards of directors.

The Nominating and Governance Committee shall be notified of the intention of directors, the Chairman/CEO and other senior managers to serve on another board of directors, and the Nominating and Governance Committee shall review the possibility for conflicts of interest and time constraints.

Each director is required to notify the Chairperson of the Nominating and Governance Committee of any conflicts of interest.

4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on issues related to economic, environmental and social topics.

<u>The Nominating and Governance Committee</u>

The primary purposes and responsibilities of the Nominating and Governance Committee ("Committee") of the Board of Directors of the Company are (i) to identify individuals qualified to become directors, consistent with criteria approved by the Board and set forth in the corporate governance guidelines, and to recommend to the Board the selection of the director nominees for the next annual meeting of shareholders; (ii) to recommend to the Board the individual directors to serve on the committees of the Board, (iii) to insure the highest of ethical and legal standards governing the Company's conduct, including the oversight of its ethics and governance programs, (iv) to oversee the continuing education of directors, and (v) annually to conduct evaluations of directors.

The Committee shall be composed of no fewer than three directors. The composition of the Committee shall satisfy the independence requirements of the New York Stock Exchange ("NYSE").

The Committee shall:

- Develop criteria for consideration of candidates for the Board of Directors and outline such criteria in the corporate governance guidelines.
- Identify and review candidates for the Board of Directors, including candidates nominated by shareholders pursuant to the Company's Bylaws.
- Recommend to the Board of Directors nominees for election as directors.
- Recommend to the Board of Directors the composition of the committees of the Board of Directors.
- Oversee the Company's corporate governance guidelines and make recommendations to the Board of Directors on governance issues.
- Oversee the adequacy of the Company's codes of conduct, conflicts of interest and related policies.
- Obtain confirmation from management that any code of conduct and related policies are understood and implemented.
- Oversee director training and continuing education.
- Lead the annual director self-evaluation process.
- Oversee the Company's political contributions.
- Oversee the Company's strategy, efforts and results on diversity.
- Oversee the Company's committee structure and operations and the working relationship between each committee and the Board of Directors.
- Review annually the compensation and shareholding requirements for outside directors and recommend any changes to the Board of Directors.
- Consider, discuss and recommend ways to improve the effectiveness of the Board of Directors.
- Recommend to the Board of Directors, from time to time, nominees for appointment as officers to the Company.

- Report its activities regularly to the Board of Directors.
- Perform such other functions as may be requested by the Board of Directors.
- Consider input from Management in performing its obligations pursuant to this charter.

The Committee shall have authority to retain and terminate outside advisors to assist in the performance of its functions, with authority to agree to fees and other terms of engagement.

The Chairman of the Committee shall discuss the Committee's performance with each Committee member, following which discussions the Chairman shall lead the Committee in an annual review of its performance. The annual evaluation shall include a review of the Committee's charter.

The Committee shall cause to be provided to the NYSE appropriate written confirmation of any of the foregoing matters as the NYSE may from time to time require.

4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance and the status of their implementation.

Albemarle's has developed Values and Mission Statement. These principals have been implemented and are included on the following pages. Albemarle's code of conduct is available on our website at : www.albemarle.com/About_Albemarle/Governance/Code_of_conduct

Values and Mission: The Albemarle Principles

Our Mission is to be the best performing specialty chemical company by all metrics and standards through our principles of;

Integrity

Unwavering commitment to truth, candor and objectivity; It is imperative that we operate our business in a simple, clear, transparent and honest manner.

Stewardship

Uncompromising with regard to quality and safety; we will operate our plants and run our business in a way that respects the environment and protects the health and safety of our stakeholders.

Planning

Designing a sustainable future by taking initiative with our thoughts, words and capital to validate our future condition and vision.

Discipline

Targeting the achievement of perfection based on solid execution, built on learning, training and restraint.

Innovation

Challenging the status quo, think differently and drive creativity to solve the problems that drive value. Past success does not necessarily lead to future success. Our stakeholders are counting on us.

Customer Fulfillment

Meeting and exceeding our customers' expectations to solve problems and provide seamless supply of our products and services. The key to leadership in our strategic markets is customer service. Our front line people put a face on our business and have tremendous influence. If they are tenacious, aggressive and proactive, our leadership will continue. Leadership is earned and not tenured and must never be taken for granted.

Communication

Communicating openly, honestly, and frequently in an active two-way process, is essential to success. Our leadership will listen to our stakeholders in an environment where all of our stakeholders feel they will be heard without repercussion. Good communication means where the organization is going and how it plans to get there. In this manner, we can align our team to achieve our objectives.

Teamwork

Manifesting great teamwork through hard work, high energy, enthusiasm and innovation. Positive mental attitude and trust make teamwork sustainable. Our business will thrive led by people, who truly enjoy what they do, who are excited by the challenges and energized by the possibilities.

4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance including, the identification and management of relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.

The Nominating and Governance Committee

The Nominating and Governance Committee assists the Board of Directors on all matters relating to the selection, qualification and compensation of members of the Board, as well as matters relating to the duties of the members of the Board. The Committee also assists the Board with oversight of corporate governance, including the enhancement of the Company's global reputation, its corporate social responsibility, and the stewardship and sustainability of its products.

The Health, Safety and Environment Committee of the Board of Directors

The Health, Safety and Environment Committee of the Board of Directors assists the Board of Directors in fulfilling its oversight responsibilities by assessing the effectiveness of the Company's health, safety and environment programs and initiatives.

The Committee shall review and oversee:

- Status of the Company's health, environmental, and personnel and process safety policies and performance, including activities designed to assure compliance with applicable laws and regulations.
- Emerging health, safety and environmental issues and the potential impact on the Company.
- Product stewardship practices and use of beneficial science to manage product risks to ensure the safe manufacture, distribution, use and disposal of Company products.
- Progress on sustainability initiatives.
- Public policy and advocacy priorities and strategies.
- Annual and long-term goals for the Company's health, safety and emission targets, including periodic review of the Company's progress toward meeting these goals.
- The Company's philanthropic contributions.

The Committee shall consist of at least three directors. The Board of Directors will designate the Chairman. A majority of the members shall constitute a quorum of the Committee. Committee members shall continue to act until their successors are appointed by the Board and shall be subject to removal at any time by a majority of the Board. The Committee shall meet at least three times per year. The Committee shall annually review and revise the committee charter, conduct a self-evaluation, and recommend amendments as appropriate. The Committee shall report regularly to the Board on Committee findings, recommendations and any other matters the Committee deems appropriate or that the Board requests.

Enterprise Risk Management

Our Board of Directors has primary responsibility for oversight of our risks. Management has designed an Enterprise Risk Management ("ERM") process that is led by our Chief Risk

Officer, who currently is our Chief Financial Officer. Our ERM Committee meets quarterly to review and reassess our company wide risks and to develop action plans to mitigate these risks. The Chief Risk Officer reports to the Audit Committee at each regular Board of Directors meeting. The ERM materials include those risks identified as the most significant, along with a review of the Company's methods of risk assessment and risk mitigation strategies. The Audit Committee engages in regular periodic discussions with the Chief Risk Officer and other members of the ERM Committee as appropriate.

The Board of Directors receives copies of the ERM Committee's reports. In addition, the Audit Committee reports to the full Board of Directors on its Committee activities, including risk oversight. On an annual basis, the Board of Directors receives a detailed report from the Chief Risk Officer regarding risk management in which the Company identifies its risk areas and oversight responsibility. The Board of Directors also engages in periodic discussions with the Chief Risk Officer and other members of the ERM Committee as appropriate.

In addition to the Audit Committee's role in ERM and financial reporting oversight, the full Board of Directors and each of the other committees of the Board of Directors considers risks within its area of responsibility. Our Board of Directors oversees corporate strategy, business development, capital structure, market exposure and country specific risks. The Executive Compensation Committee considers human resources risks and risks that may be a result of our executive compensation programs. The Nominating and Governance Committee considers succession planning and governance risks. In addition, the Health, Safety and Environmental Committee assists the Board of Directors in fulfilling its oversight responsibilities by assessing the effectiveness of our health, safety and environment programs and initiatives. The Health, Safety and Environmental Committee also assists the Board of Directors with oversight of matters related to the enhancement of our global reputation, our corporate social responsibility, and the stewardship and sustainability of our products. Each of the Committees regularly reports to the Board of Directors.

4.10 Processes for evaluating the highest governance body performance, particularly with respect to economic, environmental and social performance.

The Board of Directors will conduct a self-evaluation at least annually to determine whether it and its Committees are functioning effectively.

4.11 Explanation of whether and how the precautionary approach of principles is addressed by the organization.

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

- Whistleblower policy
- RC14001
- Sustainable Development Policy
- GRI
- Emissions Trading in EU
- Community involvement (Natural disaster relief as an example)
- Technology innovation
- “Fire Safety” company
- VECAP

4.12 Externally developed, voluntary economic, environmental and social charters, sets of principles, or other initiatives to which the organization subscribes or which it endorses

Initiative	**Date of adoption**	COUNTRIES	**Stakeholders involved in development and governance**	**Voluntary/ Manditory**
ACC and Responsible Care®	1988	United States	American Chemistry Counsel and member companies	Voluntary
VECAP™	2006	EU, US, Japan, China, South Korea	Albemarle Corporation and other brominated flame retardant companies	Voluntary
ISO 9001, ISO 9002 and ISO 14001	Varies by facility	US, UK, Jordan, China, Austria, Germany, The Netherlands	International Organization for Standardization and is administered by accreditation and certification bodies	Voluntary
RC14001	2005	United States	American Chemistry Counsel and member companies.	Voluntary

4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations

Examples of industry associations where Albemarle is an active member are shown below. Albemarle participates in numerous additional organizations, including many at the local and regional level.

ACC – American Chemistry Council
ACSFE – Alliance of Consumer Fire Safety Europe
AEEC – Arkansas Electric Energy Consumers, Inc.
AGC – Arkansas Gas Consumers, Inc.
Alliance for Polyurethane Industry (API)
American Board of Industrial Hygiene (ABIH)
American Chemical Society
American Industrial Hygiene Association (AIHA)
American Institute of Chemical Engineers (AIChE)
American Society of Materials (ASM)
American Society of Quality (ASQ)
American Society of Mechanical Engineers (ASME)
Arkansas Environmental Federation
Arkansas State Chamber Of Commerce
Associated Industries Of Arkansas
Association of the German Chemical Industry (VCI)
Association of Water Technologies (AWT)
Board of Certified Safety Professionals (BCSP)
BSEF – Bromine Science and Education Foundation
CEFIC European Chemical Industry
CEFIC Board
CEFIC Fine, Specialty and Consumer chemicals
CEFIC Plastic Additives
CEFIC Sector groups such as ECMA, EBFRIP, EFRA, ELISANA
Channel Industries Mutual Aid (CIMA)
ChemITC
Chemical Industries Association
China Plastics Processing Industry Association (CPPIA)
Citizens for Fire Safety
Community of Character
Cooling Technology Institute (CTI)
DCAT –Drug, Chemical and Associated Technologies
East Harris County Manufacturers Association (EHCMA)
ECMA - European Catalyst Manufacturers Association
EFRA – European Flame Retardant Association
EPCA – European Petrochemical Association

European-American Business Council
European Oilfield Specialty Chemical Association
Freight Transport Association (FTA)
Greater Baton Rouge Industrial Alliance (GBRIA)
High-Density Packaging Users Group (HDPUG)
IAER – International Association of Electronics Recyclers
Institute of Clean Air Companies
Institute of Management Accountants (IMA/USA)
IOSH - Institution of Occupational Safety and Health
International Electronics Manufacturers Initiative (iNEMI)
International Antimony Association
International Society of Pharmaceutical Engineers
IPC – Association Connecting Electronics Industries
La Porte Citizens Advisory Council
La Porte Local Emergency Planning Committee (LEPC)
Local Emergency Planning Committee (LEPC)
Louisiana Chemical Association (LCA)
Louisiana Engineering Society (LES)
Magnolia Chamber Of Commerce
Magnolia Economic Development Commission
Materials Technology Institute (MTI)
Modified Plastics Professional Committee
National Association of Corrosion Engineers (NACE)
NAM –National Association of Manufacturers
NPRA - National Petrochemical and Refiners Association
National Society of Professional Engineers (NSPE)
Ningbo Intellectual Property Association
Ningbo Petroleum Chemical Association
Ninghai Commercial and Industrial Association
Orangeburg County Chamber of Commerce
PEFRC – Phosphate Ester Flame Retardant Consortium
Petroleum and Chemical Industry Committee (PCIC)
Polyurethane Foam Association
Regulatory Affairs Professional Society
Society of Human Resource Management
Society of Maintenance and Reliability Professionals (SMRP)
SOCMA – Synthetic Organic Chemical Manufacturers Assoc.
South Carolina Chamber of Commerce
Texas Chemical Council
VIRAN – Dutch Catalysis Research Institute
Water Environment Association of South Carolina
Wildlife Habitat Council

4.14 List of stakeholder groups engaged by the organization

Stakeholder groups identified and engaged by Albemarle:

Customers
Shareholders
Employees
Communities in which we operate
Consumers
ENGOs
Industry and Trade Associations
Media
Investment groups
Governments and regulators

4.15 Basis for identification and selection of stakeholders with whom to engage

Engagement is imperative to business success with those stakeholders identified. Ongoing dialog and communication provides insight to business model improvements throughout the organization on a global basis.

4.16 Approaches to stakeholder engagement including frequency of engagement by type and stakeholder group

An advisory council, comprised of a select group of stakeholders, was formed in 2008 to give ongoing guidance on issues of a strategic nature. Each site will continue to develop strong relationships within the community(s) we operate. Dollars and infrastructure continue to increase for community initiatives in the area of education, environmental sustainability and charitable contributions. In 2007, Albemarle formed a 501(c) (3) nonprofit organization called The Albemarle Foundation to direct these efforts in certain regions of the US where we operate. Finally, quarterly earnings calls and engagements with investors and security analysts are held throughout the year to further increase our visibility and transparency of the organization.

4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

In 2009 Albemarle Corporation spent approximately $5.3 million on toxicology tests, attorney and expert fees, public relations and advertising, and lobbying related to its products. These advocacy programs include the promotion of stricter standards for mercury emissions from coal-fired power plants, defense of our Abzol solvent products, support of increased fire-safety standards with industry organizations and national regulatory bodies, defense of the agricultural fumigant methyl bromide, promotion of a new chemical regulatory framework to replace TSCA in the United States, defense of phosphorus- and bromine-based flame retardants, and other issues. The promotion of stricter standards for mercury emissions and the study and defense of brominated flame retardants constitute the majority of our spending, with hexabromocyclododecane (HBCD) and decabromodiphenyloxide (decabrom) being the flame retardant products requiring the most support.

Albemarle advocates the use of science-based chemical regulatory processes in preference to product-specific legislation. However, societal concern about a chemical product can be a sign of future customer demand for a replacement, and so Albemarle has had research programs underway to develop alternatives for both HBCD and decabrom. Our criteria for new polymer additive products are that in addition to meeting economic and performance requirements, they must be non-toxic, non-bioaccumulative, and facilitate recycling. In December 2009 Albemarle announced a voluntary program to withdraw decabrom from the market in cooperation with the U.S. Environmental Protection Agency, and announced the development of our GreenArmor™ flame retardant, a new polymeric and highly sustainable alternative to decabrom which meets all our criteria. Research into alternatives to HBCD continues to be a priority for the company.

Economic Indicators -Management Approach

Overview and Outlook
From Albemarle 10-K

Our diverse product portfolio, broad geographic presence and customer-focused solutions will continue to be key drivers to our future earnings growth. We continue to build upon our existing green solutions portfolio and our ongoing mission to provide innovative, yet commercially viable, clean energy products and services to the marketplace. We believe our disciplined cost reduction efforts, on-going productivity improvements and strong balance sheet position us well to take advantage of strengthening economic conditions while softening the negative impact of any temporary disruption in the economy.

EC1. Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

Consolidated Balance Sheet: From Albemarle 10-K

December 31	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	$ 308,791	$ 253,303
Trade accounts receivable, less allowance for doubtful accounts (2009—$2,254; 2008—$1,899)	294,192	280,601
Other accounts receivable	35,023	47,157
Inventories:		
Finished goods	241,127	395,919
Raw materials	62,991	95,617
Stores, supplies and other	43,388	47,321
	347,506	538,857
Other current assets	46,575	59,005
Total current assets	1,032,087	1,178,923
Property, plant and equipment, at cost	2,406,129	2,322,996
Less accumulated depreciation and amortization	1,379,246	1,310,648
Net property, plant and equipment	1,026,883	1,012,348
Investments	146,084	121,951
Other assets	123,259	113,717
Goodwill	292,721	278,767
Other intangibles, net of amortization	150,523	167,011
Total assets	$ 2,771,557	$ 2,872,717
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 170,287	$ 224,333
Current portion of long-term debt	36,310	26,202
Accrued expenses	133,268	170,512
Dividends payable	11,006	9,675
Income taxes payable	2,393	7,645
Total current liabilities	353,264	438,367
Long-term debt	776,403	906,062
Postretirement benefits	53,851	47,803
Pension benefits	148,498	146,381
Other noncurrent liabilities	104,782	142,783
Deferred income taxes	81,441	74,838
Commitments and contingencies (Note 15)		
Equity:		
Albemarle Corporation shareholder’s equity:		
Common stock, $.01 par value (authorized 150,000 shares) issued and outstanding—91,509 in 2009 and 90,980 in 2008	915	910
Additional paid-in capital	8,658	—
Accumulated other comprehensive (loss) income	(91,860)	(100,642)

Retained earnings	1,287,983	1,165,503
Total Albemarle Corporation shareholders' equity	1,205,696	1,065,771
Noncontrolling interests	47,622	50,712
Total equity	1,253,318	1,116,483
Total liabilities and equity	$ 2,771,557	$ 2,872,717

CONSOLIDATED STATEMENTS OF INCOME

(In Thousands, Except Per share Amounts)

Year Ended December 31	**2009**	**2008**	**2007**
Net sales	$ 2,005,394	$ 2,467,115	$ 2,336,187
Cost of goods sold	1,521,532	1,859,441	1,713,696
Gross profit	483,862	607,674	622,491
Selling, general and administrative expenses	212,628	255,132	244,969
Research and development expenses	60,918	67,292	62,691
Port de Bouc facility disposition charges	12,393	38,544	—
Restructuring and other charges	11,643	25,789	—
Dayton facility closure charge	—	—	4,944
Operating profit	186,280	220,917	309,887
Interest and financing expenses	(24,584)	(38,175)	(38,332)
Other (expenses) income, net	(1,423)	601	6,264
Income before income taxes and equity in net income of unconsolidated investments	160,273	183,343	277,819
Income tax (benefit) expense	(7,028)	(6,539)	55,078
Income before equity in net income of unconsolidated investments	167,301	189,882	222,741
Equity in net income of unconsolidated investments (net of tax)	22,322	23,126	24,581
Net income	$ 189,623	$ 213,008	$ 247,322
Net income attributable to noncontrolling interests	(11,255)	(18,806)	(17,632)
Net income attributable to Albemarle Corporation	$ 178,368	$ 194,202	$ 229,690

	2008 (thousands)	2009 (thousands)
Net Sales	$2,467,115	$2,005,394
Net Income	$194,200	$189,623
EBITDA (excl special items)	$401,855	$320,473
Total Assets	$2,872,717	$2,771,557
Capital Expenditures	$99,736	$100,786
Total Long Term Debt	$932,264	$812,713
Accrued Employee benefits, payroll and related taxes	$46,429	$39,532

EC2. Financial Implications and other risks and opportunities for the organization's activities due to climate change.

Growing concerns about climate change may result in the imposition of additional environmental regulations to which we may become subject. Potentially, some form of U.S. federal regulation is forthcoming with respect to greenhouse gas emissions (including carbon dioxide (CO2)) and/or "cap and trade" legislation. Additionally, some of our operations are within other jurisdictions that have, or are developing, regulatory regimes governing greenhouse gas emissions. For example, we have operations in the European Union, Brazil, China, Japan, Jordan, Saudi Arabia, Singapore and the United Arab Emirates, which have implemented measures to achieve objectives under the Kyoto Protocol, an international agreement linked to the United Nations Framework Convention on Climate Change which set binding targets for reducing greenhouse gas emissions. The first commitment period under the Kyoto Protocol is set to expire in 2012 and global attention is focused on the development of a successor global policy framework. The outcome of new legislation in the U.S. and other jurisdictions in which we operate may result in new or additional regulation, additional charges to fund energy efficiency activities or other regulatory actions. While certain climate change initiatives may result in new business opportunities for us in the area of alternative fuel technologies, compliance with these initiatives may also result in additional costs to us, including, among other things, increased production costs or additional taxes or reduced emission allowances. We may not be able to recover the cost of compliance with new or more stringent environmental laws and regulations through our contractual terms, which could adversely affect our business and negatively impact our growth. Furthermore, the potential impacts of climate change and related regulation on our customers are highly uncertain and may adversely effect our operations.

EC3 – Coverage of organizations global defined benefit pension plan obligations

The following provides a reconciliation of benefit obligations, plan assets and funded status of the plans . For more details, please see our Company's Annual Report on Form 10-K MD&A and footnotes.

	Total Pension Benefits 2009	Domestic Pension Benefits 2009	Total Pension Benefits 2008	Domestic Pension Benefits 2008
Change in benefit obligations:				
Benefit obligation at January 1	$ 518,138	$ 479,138	$ 509,977	$ 466,856
Service cost	10,568	8,544	12,241	9,942
Interest cost	32,967	30,608	31,679	29,543
Plan amendments	—	—	738	738
Actuarial loss	46,840	39,139	2,169	779
Benefits paid	(38,240)	(30,951)	(36,154)	(28,720)
Plan curtailments and settlements	—	—	(1,582)	—
Employee contributions	285	—	271	—
Foreign exchange loss (gain)	313	—	(1,201)	—
Benefit obligation at December 31	$ 570,871	$ 526,478	$ 518,138	$ 479,138
Change in plan assets:				
Fair value of plan assets at January 1	$ 366,061	$ 360,597	$ 511,788	$ 506,621
Actual return on plan assets	52,482	51,430	(146,702)	(146,995)
Employer contributions	36,449	28,961	37,077	29,691
Benefits paid	(38,240)	(30,951)	(36,154)	(28,720)
Employee contributions	285	—	271	—
Foreign exchange gain (loss)	88	—	(219)	—
Fair value of plan assets at December 31	$ 417,125	$ 410,037	$ 366,061	$ 360,597
Funded status	$ (153,746)	$ (116,441)	$ (152,077)	$ (118,541)

EC4 Significant Financial Assistance from Government

Jin Shan, China	RMB 40,000	Clean Production grant
Ningbo, China	RMB 15,897	Award for employees education
	RMB 220,000	Innovation projects grants
	RMB 200,000	Award for industrial standards formulation
	RMB 17,000	Award for higher taxes per acre land
	RMB 100,000	Science and technology funds
Green Chemistry Program	EUR 595,830	WBSO R&D tax incentive
	EUR 22,880	R&D Scholarship
	EUR 52,284	BIOCOUP biofuels R&D

EC5 – Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation

Significant Location(s)	Name(s)	Lowest Level Wage	Minimum Wage	Ratio Entry-level Wage to Minimum Wage
Americas				
Baton Rouge LA USA	Baton Rouge Tower	$13.53/hr	$7.25/hr	1.87 : 1
Baton Rouge LA USA	Process Development Center	$19.33/hr	$7.25/hr	2.67 : 1
Houston TX USA	Bayport	$18.92/hr	$7.25/hr	2.61 : 1
Houston TX USA	Pasadena	$19.29/hr	$7.25/hr	2.66 : 1
Magnolia AR USA	Magnolia	$15.11/hr	$7.25/hr	2.08 : 1
Orangeburg SC USA	Orangeburg	$16.07/hr	$7.25/hr	2.22 : 1
South Haven MI USA	South Haven	$16.67/hr	$7.40/hr	2.30 : 1
Tyrone PA USA	Tyrone	$15.06/hr	$7.25/hr	2.08 : 1
EMA				
Amsterdam the Netherlands	Amsterdam	€1,853/mo	€1,398/mo	1.32 : 1
Avonmouth UK	Avonmouth	£1,761.50/mo	£1,005.33/mo	1.75 : 1
Bergheim Germany	Bergheim	€28,570/year	N/A	N/A
Louvain-la-Neuve Belgium	LLN	€1,850/mo	€1,440.67/mo	1.28 : 1
Teesport UK	Teesport	£1,170.50/mo	£1,005.33/mo	1.16 : 1
Asia Pacific				
Nanjing China	Nanjing	2,500 RMB/mo	N/A	N/A
Beijing China	Beijing	5,000 RMB/mo	N/A	N/A
Shanghai China	Shanghai	5,000 RMB/mo	N/A	N/A
Seoul Korea	Korea	10,000 WON/hr	4,111 WON/hr	2.43 : 1
Singapore	Singapore	25,000 SGD/yr	N/A	N/A
Tokyo Japan	Japan	1,500 JPY/hr	739 JPY/hr	2.02 : 1

EC 6: Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

Albemarle sources all spending on a bid basis. Local based suppliers are involved but not guaranteed selection. In the chart below, spending data is broken down in each region and locality in which Albemarle operates. Information in this detail is not currently available for operations in China.

Location	Total Spending by the Location	Albemarle Spending on Regional Suppliers	Albemarle Spending on Local Suppliers
Americas (USD)			
Baton Rouge, Louisiana USA	21,465,269	7,910,202	4,848,089
Houston, Texas, USA	65,985,949	55,610,194	39,171,350
Magnolia, AR USA	41,573,639	2,763,005	889,925
Orangeburg, SC USA	15,393,628	4,981,271	1,340,420
South Haven, MI USA	3,328,970	4,120,971	103,439
Tyrone, PA USA	9,799,753	17,132,847	105,077
EMA (Euros)			
Amsterdam, the Netherlands	84,304,884	29,945,411	10,546,936
Avonmouth, UK	11,863,169	5,601,407	365,877
Bergheim, Germany	77,469,827	31,250,191	2,792,736
Louvain-la-Neuve, Belgium	6,561	3,671	2,512,206
Teesport, UK	11,790,995	10,909,378	716,579

EC7 – Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation

Albemarle does not have a global policy for granting preference to local residents when hiring in significant locations of operations. As part of standard business practice, we review qualified candidates in local markets as well as outer markets to select the best candidates for positions.

Significant Location(s)	Name(s)	% Senior Management from Local Community
Americas		
Baton Rouge LA USA	Baton Rouge Tower	30%
Baton Rouge LA USA	Process Development Center	25%
Houston TX USA	Bayport	40%
Houston TX USA	Pasadena	36%
Magnolia AK USA	Magnolia	23%
Orangeburg SC USA	Orangeburg	37%
South Haven MI USA	South Haven	70%
Tyrone PA USA	Tyrone	100%
EMA		
Amsterdam the Netherlands	Amsterdam	85%
Avonmouth UK	Avonmouth	100%
Bergheim Germany	Bergheim	100%
Louvain-la-Neuve Belgium	LLN	0%
Teesport UK	Teesport	100%
Asia Pacific		
Nanjing China	Nanjing	0%
Beijing China	Beijing	50%
Shanghai China	Shanghai	50%
Seoul Korea	Korea	75%
Singapore	Singapore	75%
Tokyo Japan	Japan	75%

EC8 – Development and impact of infrastructure, investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement

Albemarle Foundation focuses charitable support in the areas of education and social health and well-being in the communities in which we operate in the United States. These areas of support include school programs, hospital activities, youth groups, shelters and food banks. In 2009, Albemarle transferred $ 1,124,737 to Albemarle Foundation. In addition, Albemarle employees and retirees donated $ 367,745 to Albemarle Foundation.

Environmental Indicators -Management Approach

Green Chemistry Principle and Environmental Responsibility

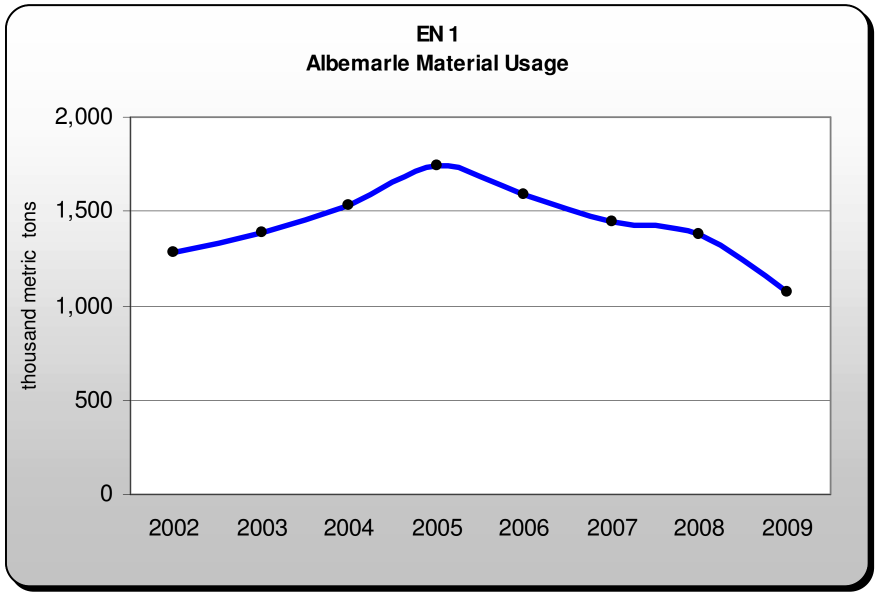
As a socially and environmentally responsible company, we will strive for continuous improvement in health, safety, security and environmental performance to support a sustainable business model and ensure our ability to provide innovative solutions that meet societal needs. Our responsibilities include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

Environmental Management System

Albemarle maintains an environmental management system within the corporate Health, Safety and Environmental program. This program encompasses policies and procedures that address Albemarle's environmental aspects. The management system applies to all Albemarle's operations world wide and is third party certified in the United States under RC14001:2008.

EN1 Materials used by weight or volume.

Albemarle tracks the consumption of process raw materials, energy products, and the natural mineral resource bromine for the purposes of this indicator. The volume of packaging materials used in manufacture and transportation is not tabulated. In 2009, Albemarle used a total of 1.07 million metric tons of raw materials. This volume does not include materials transferred between production facilities or the use of water (see EN8). Albemarle's growth and purchase of additional facilities resulted in an increase in material usage from 2002 to 2005.



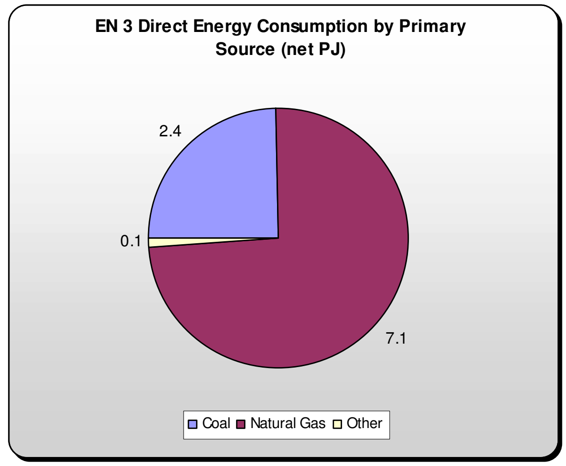
The majority of materials used are categorized as non-renewable. Albemarle produces specialty materials have been shown to remove from 80 to more than 90 percent of the vaporous mercury from power plant smokestacks, on average. Activated carbon is a key raw material for these products. In 2009, 4,000 tonnes of activated carbon were used from renewable sources.

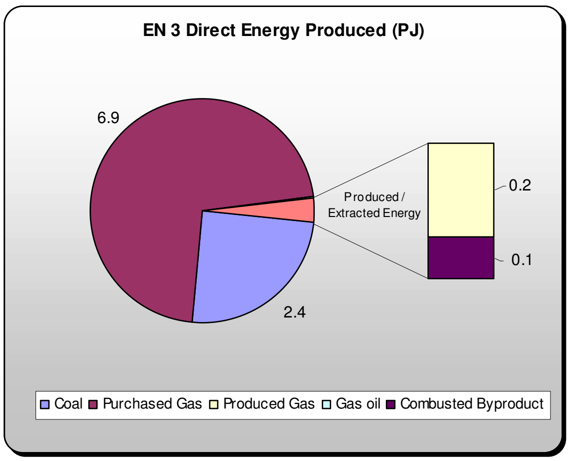
EN2 Percentage of materials used that are recycled input materials.

A very small fraction of Albemarle's raw materials are "non-virgin" material. Recycled input materials accounting for approximately 0.16% of total raw material usage. Sales of petroleum catalysts represent approximately one-third of Albemarle Corporation sales. In this division, a portion of the product is reprocessed for the customer as part of the purchase agreement.

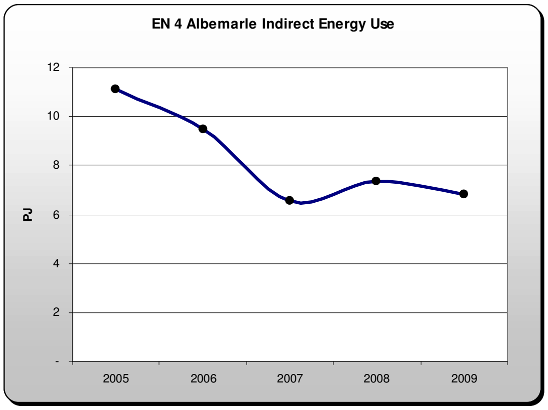
EN3 Direct energy consumption by primary energy source.

Albemarle's consumption of direct primary energy in 2009 was 9.5 petajoules from manufacturing facilities. This includes 0.3 petajoules of energy extracted or produced by Albemarle. The energy impact of distribution of products and waste has not been assessed and is not included. Energy use at Albemarle Corporation non-manufacturing facilities (i.e. business offices) is small when compared to manufacturing facilities and is not included in this indicator. Business office GHG impact is shown in EN17. All direct primary energy used by Albemarle as defined by this indicator is classified as nonrenewable. In a few instances, Albemarle transfers energy between co located companies. This value is small and the data expressed above is net energy use by Albemarle.

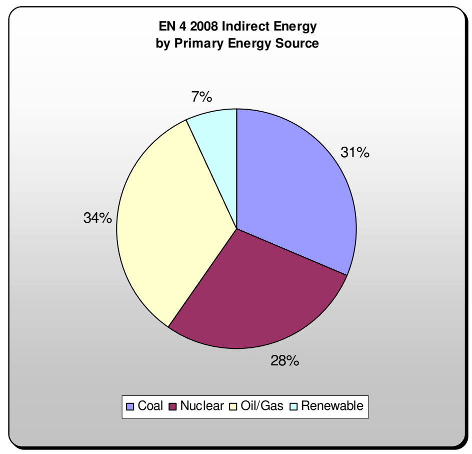




EN4 Indirect energy consumption by primary source.

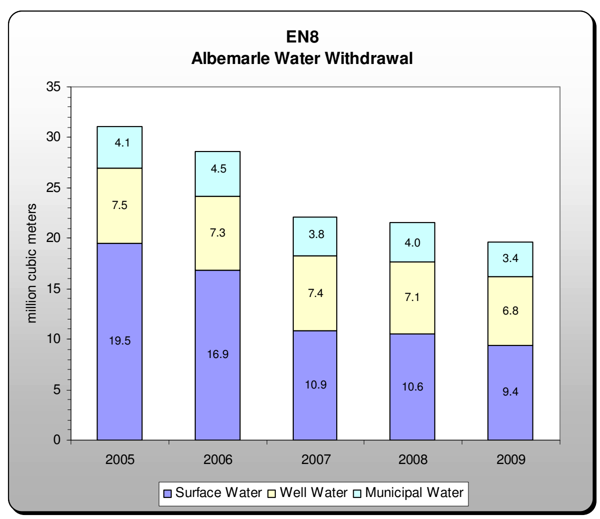


Indirect energy consumption for Albemarle results from two major intermediate energy sources – purchased electricity and steam. These intermediate energy uses totaled 6.8 PJ in 2009 from manufacturing facilities. Of the total, purchased electricity accounts for 6.24 PJ and purchased steam accounts for 0.54 PJ. Energy use at Albemarle Corporation non-manufacturing facilities (i.e. business offices) are small when compared to manufacturing facilities and is not included in this indicator. Business office GHG impact is shown in EN17. In a few instances, Albemarle transfers energy between co located companies. This value is small and the data expressed above is net energy use by Albemarle. Generation efficiencies used for this calculation are derived from US Department of Energy and American Chemistry Council data.



EN8 Total water withdrawal by source.

Albemarle's 2009 water withdrawal totaled 19.6 million m3. This total does not include the volume of salt brine that is extracted from and returned to the same deep strata at Albemarle's Magnolia, Arkansas (US) facilities.



EN9 Water sources significantly affected by withdrawal of water.

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

EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

Location	**Area of high biodiversity or protected area**
Amsterdam, Netherlands	The facility is adjacent to the city parkforrest ("Het Vliegenbos") and the river IJ. Natura 2000 areas in site's vicinity: "IJmeer en Markermeer" (lake and marshland)
Avonmouth, UK	The facility is close to the Severn Estuary, which has a protected status.
Bergheim, Germany	The water outfall from the facility flows to the river ERFT
Jinshan, China	The Huanggu river is protected and is 300m north of the facility.
Ningbo, China	The facility is located in a biodiversity area. Two “beauty spots” are 5.8km and 4.6km away
Magnolia, Arkansas	100 acres of wetlands bank near west plant where hard woods are planted. 50 acres of south plant artificial marsh are registered with The Wildlife Habitat Council. The west plant has 20 acres of artificial marsh. 1500 acres of forest are managed for timber (paper or structural).
Nanjing, China	The Changjiang River is approximately 4 km south of the Nanjing Chemical Industry Park where the facility is located.
Orangeburg, South Carolina	The facility borders the Edisto River. The facility manages 135 acres that are registered with The Wildlife Habitat Council.
Pasadena, Texas	The facility borders 35 acres of wetlands
Process Development Center Baton Rouge, Louisiana	The facility borders Bayou Monte Sano
Sayerville, New Jersey	The site includes 16 acres located in the Raritan River watershed of which approximately 7 acres are wetlands
South Haven, Michigan	Lake Michigan is west of the facility
Teesport, UK	Seven Sites of Special Scientific Interest (SSSI) in area around the mouth of Tees Estuary. (Ca. 3.5 to 6 km away) These Sites' details include water birds, seals and intertidal invertebrates.

Location	Area of high biodiversity or protected area
Tyrone, Pennsylvania	Approximately 10 acres of the site are wetlands and the facility borders Cook Hollow Creek

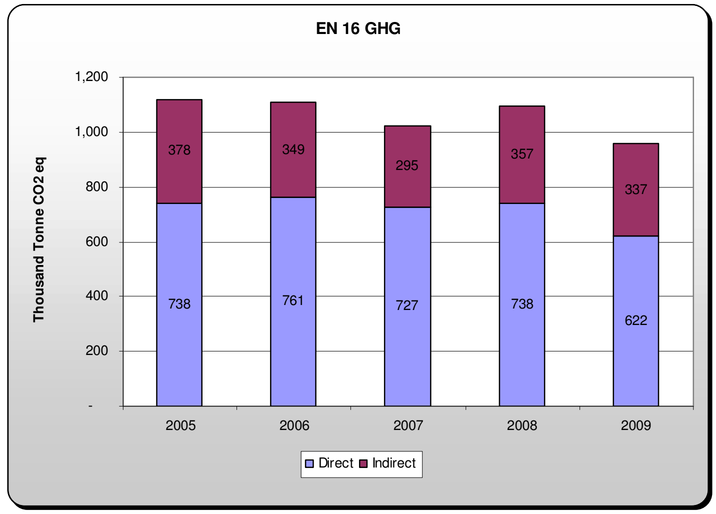
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

The area identified in EN11 for Magnolia, Arkansas has been positively impacted by the facility's actions. These areas include a 100-acre tract of land that has been reforested, 70 acres of artificially created marsh (certified by The Wildlife Habitat Council), and 1,500 acres of land that is managed for timber. In 2009, Wildlife Habitat Council named the facility a Corporate Lands for Learning location. The Orangeburg, South Carolina facility has positively impacted 135 acres of property included above as part of registration to The Wildlife Habitat Council, Corporate Lands for Learning. The facility was invited to make a presentation of their efforts at the Wildlife Habitat Council Annual Meeting on November 10, 2009. The Tyrone, Pennsylvania facility achieved a Wildlife Habitat Certification for their wooded uplands project. All these Wildlife Habitat Council properties are maintained for natural habitat and educational purposes. The Amsterdam facility partnered with the Foundation W. H. Vliegenbos, a non-profit organization dedicated to preserving forested areas in North Amsterdam. No other impacts to the areas identified in EN11 have been identified.

EN13 Habitats protected or restored.

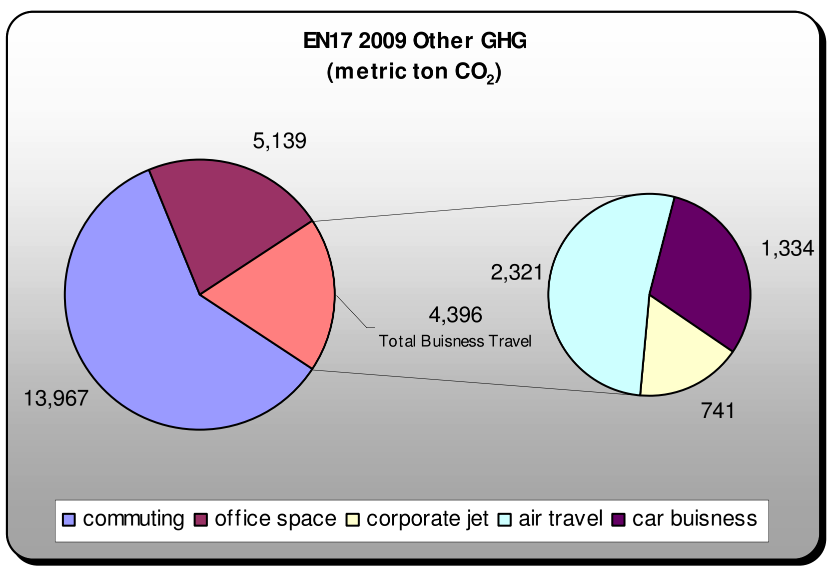
Please see EN12 for information relevant to this indicator.

EN16 Total direct and indirect greenhouse gas emissions by weight.



Albemarle collects data on direct and indirect primary fuel consumption at manufacturing facilities for the purpose of determining green house gas generation. In addition, data is also collected at our processing facilities on direct green house gas generation from sources other than combustion of fuels. Factors for conversion of energy quantities to equivalent CO2 are derived from data published by The American Chemistry Council. Generation efficiencies used for this calculation are derived from US Department of Energy and American Chemistry Council data. The greenhouse gas impact of distribution of products and waste has not been assessed and is not included. Greenhouse gas impacts from Albemarle Corporation non-manufacturing facilities (i.e. business offices) are small when compared to those above. This data is included in EN 17. The total direct and indirect greenhouse gas emissions for Albemarle in 2009 were 959,000 metric tons.

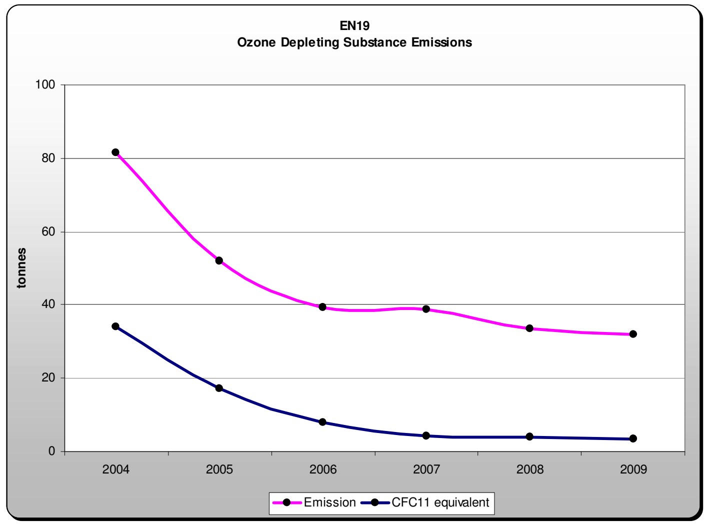
EN17 Other relevant indirect greenhouse gas emissions by weight.



Albemarle Corporation first began to collect information on other indirect greenhouse gas emissions in 2007. Included in the analysis for 2009 is the GHG impact from business travel, employee commuting and Albemarle's major office complexes. These offices include the corporate headquarters in Baton Rouge, Louisiana, as well as offices in Clearlake Texas, Tokyo, Shanghai and Louvain-la-Neuve Belgium. These impacts are small in comparison with the GHG emissions presented in EN16 and are grouped together for this reason.

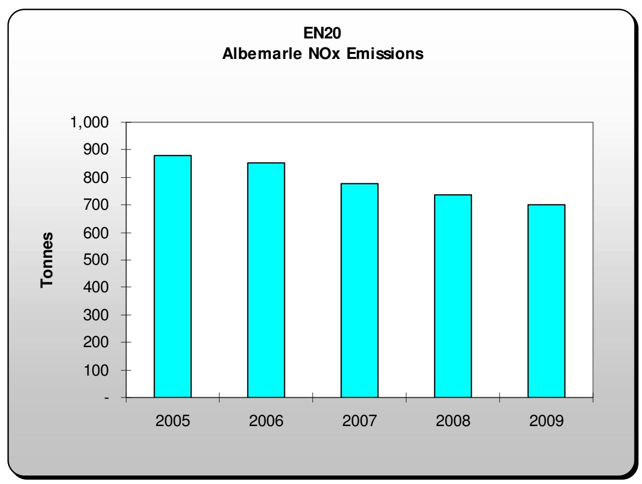
EN19 Emissions of ozone-depleting substances by weight.

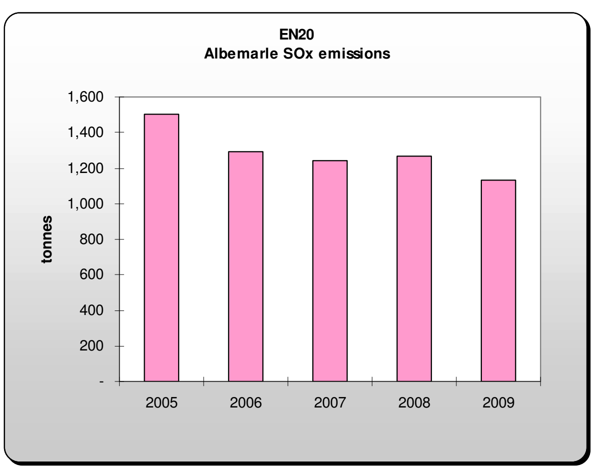
In 2009, Albemarle's emissions of ozone depleting substances consisted of bromochloromethane and R-22. Emissions of ozone-depleting substances have continued to drop due to the decreased use of halogenated solvents. The 2009 emissions of ozone depleting substances totaled 32 tonnes (3.6 tonnes CFC-11 equivalent).

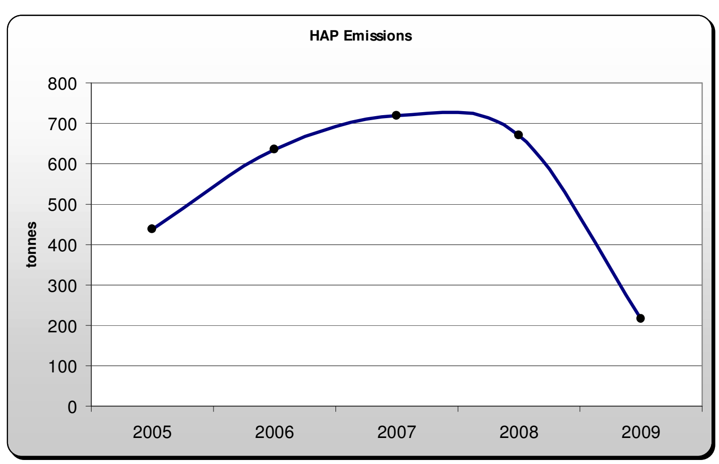


EN20 NOx, SOx, and other significant air emissions by type and weight.

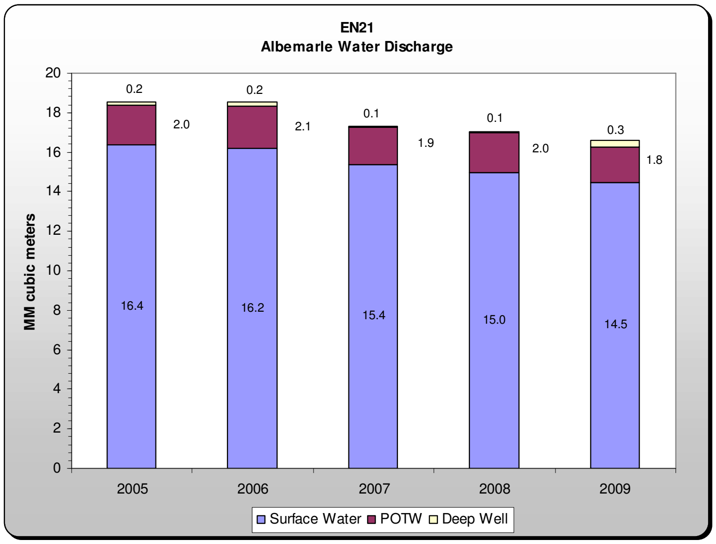
Albemarle tabulates NOx and SOx and Hazardous Air Pollutant (HAP) emissions at manufacturing sites for the purpose of this indicator. These values are based on a combination of calculations, measured values and permitted limits. NOx emissions in 2009 totaled 701 tonnes. SOx emissions totaled 1,133 tonnes. HAP emissions totaled 216 tonnes.







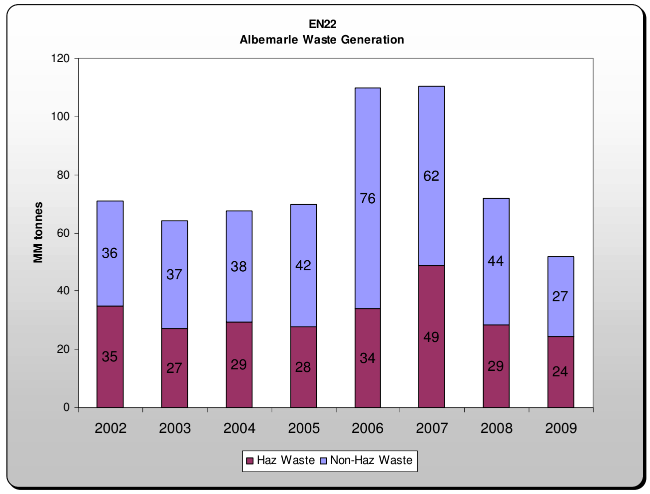
EN21 Total water discharge by quality and destination.

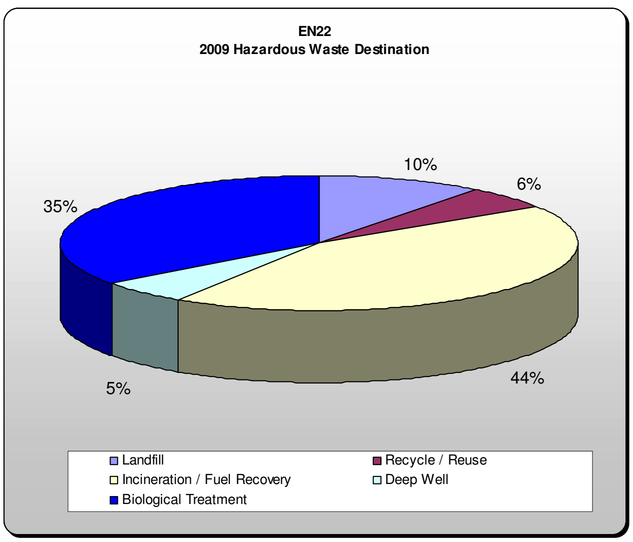


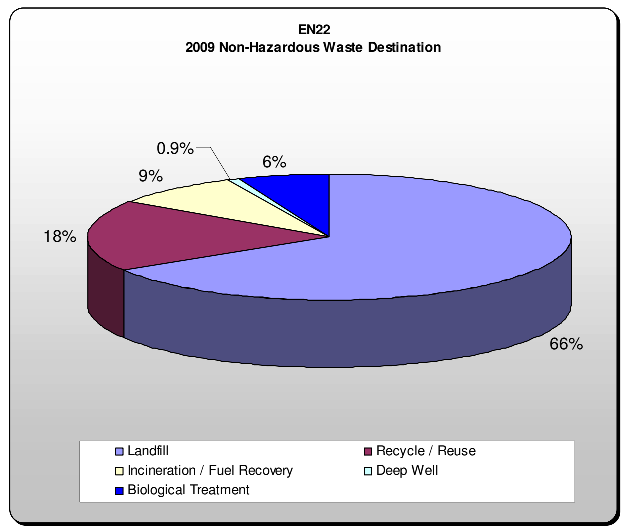
Albemarle discharges water to three major destinations: Surface water includes discharge to streams, rivers, lakes & marshes; Publicly Owned Treatment Works (POTW); and deep well injection. Not included in this indicator is the volume of salt brine that is extracted from and returned to deep strata at Albemarle's Magnolia, Arkansas (US) facilities. Albemarle is subject to various laws and regulation governing the discharge of water into the environment. Each discharge is in compliance and expect to remain in compliance with all applicable requirements. 2007 was the first year that rainfall was excluded from discharge volume during the information collection process. Rainfall accounts for a small portion of the total discharge volume therefore previous years data was not corrected. Albemarle's 2009 return of water to the environment totaled 16.6 million cubic meters.

EN22 Total weight of waste by type and disposal method.

Each Albemarle manufacturing site tabulates hazardous and non-hazardous waste generation. 2009 generation of hazardous waste was 24,486 tonnes. Non hazardous waste generation in 2009 totaled 27,491 tonnes. These values represent the lowest volume of waste generation since data collection began in 2002. An increase in non-hazardous waste volume in 2006 was due largely to a potassium salt waste generated in the Tyrone, Pennsylvania facility. The non-hazardous total does not include wastewaters. Albemarle facilities also recycled 7,601 tonnes of other materials such as metal and paper in 2009.







EN23 Total number and volume of significant spills.

Albemarle tabulates and records all spills and releases that cause serious off site impacts. Significant spills include those incidents where there is major environmental impact or impact to employees or the public. Albemarle designates these spills as 'Level 3' events. Albemarle experienced no such events in 2009. Thirteen minor leaks occurred in 2009. Six occurred in manufacturing areas and seven occurred during transportation

EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation

Leading emissions control by example. Albemarle has been a driver in implementing the global Voluntary Emissions Control Action Program, or VECAP, which sets aggressive goals for reducing brominated flame retardant (BFR) plant emissions. In 2009, our Magnolia (Arkansas) South and West plant sites became the first BFR production facilities to be awarded VECAP certification by the Bromine Science and Environmental Forum (BSEF). Efforts at Magnolia have been creative and comprehensive, including reductions to air, water and land throughout the production and on-plant supply cycles. Best practice materials handling, improved equipment maintenance, minimized (or eliminated) product leakage and spills, better recovery of previously landfilled material for sale or rework, and improved dust collection have combined to achieve improvements far in excess of VECAP's 50% emissions reduction target—and management processes are in place to ensure further improvement.

Mercury control for cleaner energy. When coal is burned to generate electricity, mercury is emitted to the environment. In 2009, in an effort to broaden our clean-energy solutions portfolio, Albemarle integrated the purchase of Sorbent Technologies, a proven innovator in mercury control technology for power plants. Albemarle Sorbent Technologies' specialty materials have been shown to remove from 80% to more than 90% of the vaporous mercury from power plant smokestacks, both in trials and dayto-day use at customers' utility sites. The company also provides full-scale site-trial services to aid environmental operations managers in developing long-term strategies for compliance with state and federal mercury regulations.

EN27 Percentage of products sold and their packaging materials that are reclaimed by category

689 tonnes of products and packaging were identified in 2009 that were directly reclaimed by Albemarle or it's contractors. In addition, approximately 6,000 tonnes of catalyst product are recycled annually, by external sources. Albemarle's polymer antioxidants and lubricant antioxidants are incorporated into many plastics products that are reclaimed/recycled in kind with the national average for these markets.

EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

Albemarle maintains a very robust auditing program for environmental performance and compliance. As a result, Albemarle's environmental fines in 2009 were limited to $27,000. Albemarle had no other significant administrative or judicial sanctions levied against the company in 2009.

EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce

Albemarle collects information on distribution incidents as the measure of this indicator. Energy and emissions from transportation of products and waste are not currently tracked. Emissions associated with workforce transportation are shown in EN17. All distribution incidents in which any volume of material is released from a container are recorded as Level 2 distribution incidents. There were seven Level 2 distribution releases in 2009. Any spill with an environmental or public impact is recorded as a Level 3 distribution incident. Albemarle experienced no Level 3 Distribution events in 2009.

Social Performance Indicators

Labor Practices and Decent Work

Management Approach
People and Development

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

LA1 Total workforce by employment type, employment contract, and region

2009 Worldwide Staffing Summary (as of 12/31/2009)

	Salaried	Hourly	Total Direct	Contract	TOTAL
Americas	1221	816	2037	433	2470
EMA	1012	342	1354	67	1421
AP	569	0	569	48	617
TOTAL	2802	1158	3960	548	4508

LA2 Total number and rate of employee turnover broken down by age group, gender and region

2009 Turnover Data

	Global	Americas	EMA	AP
Total Direct	3960	2037	1354	569
Total Male	3286	1687	1144	455
Total Female	674	350	210	114
#/% Total	441 / 11.1%	280 / 13.7%	92 / 6.8%	69 / 12.2%
#/% Total Male	349 / 79.1%	222 / 79.3%	74 / 80.4%	53 / 76.8%
#/% Total Female	92 / 20.9%	58 / 20.7%	18 / 19.6%	16 / 23.2%
#/% < 30	96 / 21.8%	34 / 12.1%	22 / 23.9%	40 / 58.0%
#/% 30-50	126 / 28.6%	63 / 22.5%	40 / 43.5%	23 / 33.3%
#/% > 50	219 / 49.6%	183 / 65.4%	30 / 32.6%	6 / 8.7%

LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations

Significant Location(s)	Name(s)	Minimum Benefits for FT Employees
Americas		
Baton Rouge LA USA	Baton Rouge Tower	• Medical Insurance • Dental Insurance • Disability Insurance • Life Insurance • Personal Accident Insurance • Blanket Travel Accident Insurance • Health Care and Dependent Care Spending Accounts • Health Savings Account • Executive Long Term Disability • Retirement/Savings Plan • Educational Reimbursement Plan • Matching Gifts to Education and Charitable Organizations • Seat Belt Coverage and Accidental Insurance
Baton Rouge LA USA	Process Development Center	
Houston TX USA	Bayport	
Houston TX USA	Pasadena	
Magnolia AK USA	Magnolia	
Orangeburg SC USA	Orangeburg	
South Haven MI USA	South Haven	
Tyrone PA USA	Tyrone	
EMA		
Amsterdam the Netherlands	Amsterdam	• Health insurance • Pension • Disability insurance for income guarantee of 70% • Blanket Travel Accident Insurance
Avonmouth UK	Avonmouth	• Avonmouth (same for part time and for full time) • First aid payment • Maternity Returners allowance • Defined contribution pension • Share scheme • Blanket Travel Accident Insurance
Bergheim Germany	Bergheim	• Health insurance 7.0% (average) • Unemployment 1.4% • Pension 9.95% • Nursing 0.975% • Blanket Travel Accident Insurance

Significant Location(s)	Name(s)	Minimum Benefits for FT Employees
Louvain-la-Neuve Belgium	LLN	• Health insurance • Extra legal Pension plan • Death and Disability insurance • Luncheon vouchers • Transportation allowances and Company car if GL >= 13 or sales person • Repatriation insurance for high frequency traveler • Blanket Travel Accident Insurance
Teesport UK	Teesport	• 10% non-contributory pension • 5% share purchase scheme • Blanket Travel Accident Insurance
Asia Pacific		
Nanjing China	Nanjing	• Statutory government benefits • Supplemental medical, life, AD&D • Blanket Travel Accident Insurance
Beijing China	Beijing	
Shanghai China	Shanghai	
Seoul Korea	Korea	• Statutory government benefits • Blanket Travel Accident Insurance
Singapore	Singapore	• Statutory government benefits • Blanket Travel Accident Insurance
Tokyo Japan	Japan	• Statutory government benefits • Blanket Travel Accident Insurance

LA4 Percentage of employees represented by independent trade union organizations or covered by collective bargaining agreements

Significant Location(s)	Name(s)	% Employees Represented by Unions / CBA
Americas		
Baton Rouge LA USA	Baton Rouge Tower	0%
Baton Rouge LA USA	Process Development Center	25%
Houston TX USA	Bayport	0%
Houston TX USA	Pasadena	61%
Magnolia AR USA	Magnolia	0%
Orangeburg SC USA	Orangeburg	57%
South Haven MI USA	South Haven	0%
Tyrone PA USA	Tyrone	0%
EMA		
Amsterdam the Netherlands	Amsterdam	98%
Avonmouth UK	Avonmouth	82%
Bergheim Germany	Bergheim	99%
Louvain-la-Neuve Belgium	LLN	0%
Teesport UK	Teesport	0%
Asia Pacific		
Nanjing China	Nanjing	0%
Beijing China	Beijing	0%
Shanghai China	Shanghai	0%
Seoul Korea	Korea	0%
Singapore	Singapore	0%
Tokyo Japan	Japan	0%

LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements

Significant Location(s)	Name(s)	Minimum Notice Periods for Operational Changes
Americas		
Baton Rouge LA USA	Process Development Center	60 Days Notice to reopen contract
Orangeburg SC USA	Orangeburg	Orangeburg labor agreement with IBT Local 509 requires a seven-day notice to employees for a layoff/significant operational change. For a change in the production schedule employees must have 48 hours notice. If the schedule change is due to mechanical breakdown then eight hours notice is required.
Baton Rouge LA USA	Baton Rouge Tower	No minimum notice period applicable
Houston TX USA	Bayport	No minimum notice period applicable
Houston TX USA	Pasadena	No minimum notice period applicable
Magnolia AR USA	Magnolia	No minimum notice period applicable
South Haven MI USA	South Haven	No minimum notice period applicable
Tyrone PA USA	Tyrone	No minimum notice period applicable
EMA		
Amersfoort the Netherlands	Amersfoort	1 month up to grade 8, 3 months from grade 9
Amsterdam the Netherlands	Amsterdam	1 month up to grade 8, 3 months from grade 9
Avonmouth UK	Avonmouth	1 month for individual change- 3 months for group change
Bergheim Germany	Bergheim	Depending on age and seniority based on collective chemical CLA and law

Louvain-la-Neuve Belgium	LLN	3-6 months
Teesport UK	Teesport	No minimum notice period applicable
Asia Pacific		
Nanjing China	Nanjing	One month
Beijing China	Beijing	
Shanghai China	Shanghai	
Seoul Korea	Korea	No minimum notice period applicable
Singapore	Singapore	One month
Tokyo Japan	Japan	No minimum notice period applicable

LA 6 Percentage of Total Workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

Each Albemarle manufacturing facility and major office location is required to have committees on health, safety and environmental issues. These committees are composed of site leadership and employees and nested contractor representatives. Meetings include formal conferences to discuss policy as well as informal safety meetings and 'tailgate' sessions.

LA7 Rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities

Injury rate	0.40
Occupational Diseases	0
Lost days	124
Absenteeism	No data
Work-related fatalities	0
Contractor Rate(s)	0.0

LA 8 Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases

Albemarle provides training, counseling, prevention and risk-control programs an training for disease. These programs vary by region. Where a disease is perceived to have the potential to be wide spread, Albemarle provides resources to employees and families to mitigate the disease effects. Planning and vaccination efforts were taken in 2009 in preparation for a potential H1N1 outbreak. Albemarle does not have a high incidence or risk of specific occupational diseases.

LA10 Average hours of training per year per employee by employee category

Significant Location(s)	Name(s)	Average Hours of Training/Year
Americas		
Baton Rouge LA USA	Baton Rouge Tower	16 hours
Baton Rouge LA USA	Process Development Center	100 hours
Houston TX USA	Bayport	20 hours
Houston TX USA	Pasadena	106 hours
Magnolia AR USA	Magnolia	36 hours
Orangeburg SC USA	Orangeburg	27 hours
South Haven MI USA	South Haven	90 hours
Tyrone PA USA	Tyrone	40 hours
EMA		
Amsterdam the Netherlands	Amsterdam	90 hours
Avonmouth UK	Avonmouth	30 hours
Bergheim Germany	Bergheim	7 hours
Louvain-la-Neuve Belgium	LLN	10 hours
Teesport UK	Teesport	10 hours
Asia Pacific		
Nanjing China	Nanjing	16 hours
Beijing China	Beijing	16 hours
Shanghai China	Shanghai	16 hours
Seoul Korea	Korea	24 hours
Singapore	Singapore	16 hours
Tokyo Japan	Japan	16 hours

LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

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

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

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

LA12 Percentage of employees receiving regular performance and career development reviews

2009 Worldwide Staffing Summary (as of 12/31/2009)
(from LA1)

	Salaried	Hourly	Total Direct
Americas	1221	816	2037
EMA	1012	342	1354
AP	569	0	569
TOTAL	2802	1158	3960

Each employee, either through a formal or informal process, receives feedback on his/her performance on an annual basis from his or her supervisor.

LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity

2009 Diversity Data

	Global	Americas	EMA	AP
Total # of Direct Eees (excludes contract)	3960	2037	1354	569
Gender				
Total Male	3286 / 83%	1687 / 83%	1144 / 84%	455 / 80%
Total Female	674 / 17%	350 / 17%	210 / 16%	114 / 20%
Age				
Total Age < 30	682 / 17%	180 / 9%	257 / 19%	245 / 43%
Total Age 30-50	2018 / 51%	1045 / 51%	677 / 50%	296 / 52%
Total Age > 50	1260 / 32%	812 / 40%	420 / 31%	28 / 5%
Ethnicity				
Ethnic – Asian		50 / 2%	Data Privacy laws prevent reporting of data	Diversity information tracking and reporting not required
Ethnic – Black or African American		206 / 10%		
Ethnic – Hispanic or Latino		86 / 4%		
Ethnic – White		1681 / 83%		
Ethnic – Other Categories		14 / 1%		

LA14 Ratio of basic salary of men to women by employment category

From LA13 – Americas Region Only

	Total	Male Count	Male Ave Wage	Female Count	Female Ave Wage	Ratio Ave Wage
Ethnic – Asian	50	42	$54.16/hr	8	$42.97/hr	1.26 : 1
Ethnic – Black or African American	206	160	$67.80/hr	46	$39.32/hr	1.72 : 1
Ethnic – Hispanic or Latino	86	70	$68.47/hr	16	$32.78/hr	2:09 : 1
Ethnic – White	1681	1402	$62.49/hr	279	$39.08/hr	1.60 : 1
Ethnic – Other Categories	14	11	$56.60/hr	3	$38.01/hr	1.49 : 1

Social Performance Indicators

Human Rights

Management Approach

The Company believes that fostering a high quality, effective workforce is the unique determinant of sustained business success. Therefore, all employees in management roles are accountable to ensure the appropriate application of employee policies and employment practices. Further, all employees are encouraged to take personal responsibility to maximize their productivity, personal development and contributions to the success of the organization. The Company strives to provide an environment that values results of individuals and teams, while emphasizing respect for each other and effective communications. Employees are expected to raise workplace issues that represent a risk to the Company, violate the policies of the Company, or threaten a successful work environment.

The Company will abide by all applicable employment laws regarding employment decisions, including recruitment, hiring, placement, promotion, reassignment, compensation, training, discipline and dismissal. Reasonable accommodations will be made as required by applicable law for individuals with handicaps or disabilities. Harassment in any form is absolutely prohibited. It is the Company’s policy to comply faithfully with the applicable immigration laws and regulations. The Company will also abide by applicable labor laws at all global facilities.

HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screenings

0% - We currently do not screen or mandate that agreements include human rights language.

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken

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

HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained

0 hours of employee training on human rights; 0% of employee trained

HR4 Total number of incidents of discrimination and actions taken

0 – No reported incidents for discrimination; no action taken

HR5 Operations identified in which the right to exercise freedom of association or collective bargaining may be at significant risk, and actions taken to support these rights

(From Albemarle 10-K – Section 1, Pages 9-10)
Employees
As of December 31, 2009, we had 3,960 employees of whom 2,035, or 52%, are employed in the U.S.; 1,345, or 34%, are employed in Europe; and 580, or 14%, are employed in Asia and rest of world. Approximately 18% of our U.S. employees are unionized. We have bargaining agreements at three of our U.S. locations:

- Baton Rouge, Louisiana—United Steel Workers (USW);

- Orangeburg, South Carolina—International Brotherhood of Teamsters-Industrial Trades Division; and

- Pasadena, Texas—United Steel Workers (USW); Sheet Metal Workers International Association; United Association of Journeymen & Apprentices of Plumbing and Pipefitting Industry; and International Brotherhood of Electrical Workers.

We believe that we have good working relationships with these unions, and we have operated without a labor work stoppage at each of these locations for more than 10 years. Bargaining agreements expire at our Baton Rouge, Louisiana and Orangeburg, South Carolina locations in

2010 and at our Pasadena, Texas site in 2011.
We have two works councils representing the majority of our European sites—Amsterdam, the Netherlands and Bergheim, Germany—covering approximately 900 employees. In addition, we have approximately 50 employees at our manufacturing facility in Avonmouth, United Kingdom that are represented by unions through a current collective bargaining agreement. We believe that we have a generally good relationship with these councils and bargaining representatives.
In September 2009, we entered into consultation processes under local laws at our Amsterdam and Bergheim locations for restructuring programs that include planned reductions in force. At December 31, 2009, we accrued approximately $1.6 million in related charges for our Amsterdam restructuring program. At December 31, 2009, the exact cost of the Bergheim restructuring program could not be determined; however, we estimate the cost associated with this program will be in the range of $7 million to $10 million.

HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor

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

HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor

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

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

0% of security personnel trained in policies and procedures concerning aspects of human rights

HR9 Total number of incidents of violations involving rights of indigenous people and actions

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

Social Performance Indicators

Society

Management Approach

Corporate Citizenship

As responsible corporate citizens, we will extend our environmental health and safety philosophy beyond the workplace. Albemarle employees and contractors maintain a heightened sense of awareness on and off the job and proactively seek opportunities to advocate this philosophy in our neighborhoods, at work, in transit and at home. We are also committed to making a positive impact in our communities, and will continue to seek ways to support the cornerstones of sustainability, particularly in the areas of educations, health and social services, cultural initiatives and volunteerism.

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

With regards to assessing and managing the impacts of operations on communities, including entering, operating and exiting, Albemarle coordinates the requirements of entering and exiting a community with a special task force that is initiated upon the need for such action. In addition, for continuing operations within a community, Albemarle has instituted its emissions reduction program. Each site has specific issues that need addressing; therefore, each initiative has specific programs and practices that are derived and executed by the Albemarle team for each situation or location.

In addition, each site has a Community Advisory Panel that is the conduit for open communication between the site and the community within which it operates.

SO2 Percentage and total number of business units analyzed for risks related to corruption.

Each of Albemarle's three business units have been analyzed for risks related to corruption, resulting in a 100% risk evaluation.

SO3 Percentage of employees trained in organization's anti-corruption policies and procedures

All employees, upon hire, are required to complete training with respect to the Company's Code of Conduct – Albemarle's principle document and philosophy for the prevention of corruption. Following hire, all employees complete Code of Conduct training on an annual basis.

SO4 Actions taken in response to instances of corruption.

During 2009 Albemarle did not have any incidents in which employees were dismissed or disciplined for corruption. Additionally, there were zero incidents where contracts with business partners were not renewed due to violations related to corruption. Furthermore, Albemarle was not involved any legal cases regarding corrupt practices brought against the company or our employees during 2009.

SO5 Public Policy positions and participation in public policy development and lobbying

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

- US federal legislation requiring mandatory security standards for chemical facilities which will protect not only our employees but the surrounding community
- Dialogue with country specific agencies on fire safety standards for consumer products that will save lives.
- Federal standards that provide safe pharmaceutical products
- Active participation with US EPA initiatives in the following areas: High Production Volume (HPV) Chemical program
- Design for Environment (DfE) program in electronics and furniture markets
- Catalysts for clean fuel technology
- Technology and Economic Assessment Panel (TEAP) concerning npB performance cleaner
- Active participation with European initiatives in the following areas:
    - Ecolabels
    - Risk assessments and risk reduction strategies
    - EU legislative developments
- Global harmonization of chemical management policies that follow the guidelines of the EU REACH program to provide the public with the most scientific knowledge of our products, as well as a confidence in the safety of our products
- Activity at the state and federal government level as well as academia towards a commitment to Green Chemistry principles and a systematic, science-based chemical regulatory system which has stimulated our research of new products into areas of innovative chemical processes and products that make the world an environmentally safer and healthier place to live

Development and leadership of working groups made up of industry, government, end user and ENGO participants working towards development of chemicals policy and product safety in various end markets.

S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

See indicator EN28 for this information

Social Performance Indicators

Product Responsibility

Management Approach

Product Stewardship encompasses many activities and programs with the overall goal of safe handling, distribution and use of our products. Albemarle will meet all local and international requirements for the safe shipment of our products. We conduct risk assessments on the products themselves as well as on their distribution life cycle. We communicate the hazards to all involved in the manufacture, distribution or use of our products. We register our products according to the applicable local, national or international regulations. For our most hazardous materials, we develop specific product stewardship manuals to ensure that each aspect of responsible manufacture and use are clearly defined.

PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

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

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

PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

Albemarle experienced seven Distribution Incidents. One of which resulted in a fine.

PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

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

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

PR4 Number and type of instances on non-compliance with regulations concerning product and service information and labeling

In 2009 Albemarle Corporation had 22 self-identified labeling non-conformances. None involved regulatory authorities nor did they result in a fine, penalty or warning.

PR5 Procedures related to customer satisfaction, including results measuring customer satisfaction

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

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

While the primary point of contact for information from customers is most often the Sales Service Specialist, the Customer Feedback System is available to anyone within Albemarle to originate issues for follow-up. Once entered, incidents are assigned to a coordinator defined for the area in which the issue resides. The coordinator classifies the incident by business process and issue, along with function and location. Then the coordinator assigns the incident to a designated champion. The champion is tasked with investigating the incident to determine the root cause, identifying appropriate corrective actions, and summarizing the overall response in the system. This response is forwarded to the customer advocate, then reviewing the response for follow-up with appropriate customer contacts. When successfully resolved, the incident is officially closed in the system.

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

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

The classification of all incidents is used for metrics and trends across organizations. A weekly report of customer complaints is published and distributed to upper management. This elevates any external issues across the organization and captures the event by responsible location, either internal or external. In 2009 Albemarle logged in 867 customer complaint into the Customer Feedback System. Of these, 93% were resolved and closed by year end.

In 2009 Albemarle undertook a Net Promoter Score customer survey. The survey covered a broad cross-section of our North American customers in all three of our global business units. It was comprised of a defined roster of questions with quantitative responses that were summarized and analyzed. The results were used to define opportunities and areas of improvement. Albemarle will use subsequent surveys to measure progress and identify additional opportunities for improvement.

PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

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

PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

Albemarle did not receive any significant fines or non-monetary sanctions in this area during 2009.