

REPORT ON 2015 ACTIVITIES

# 2016 GLOBAL REPORTING INITIATIVE

 ALBEMARLE®



Cover Photograph: Lithium brine evaporation ponds in Salar de Atacama, Chile

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## G4-1 STATEMENT FROM MOST SENIOR DECISION MAKER OF THE ORGANIZATION

Dear Stakeholder,

We started 2015 by securing our position as one of the world's premier specialty chemicals companies with leading market positions around the world through our acquisition of Rockwood Holdings, Inc. We set ourselves apart through our broad customer reach and diverse end markets where we develop, manufacture, and market advanced products that enable us to deliver value to our diverse set of stakeholders.

The very nature of what we do as a specialty chemicals company powers a cleaner environment and an innovative future. We make the building blocks that make transportation fuels cleaner, enhance the power of batteries that fuel new technologies, and manufacture products that ultimately improve our lives and make them safer. Through this report I am proud to share our successes and wish to share our challenges as we strive to find innovative and more sustainable solutions in the way in which we conduct our business.

When looking back on 2015 and early 2016, it was a very busy time for Albemarle as we integrated Rockwood into our company. Bringing together our two cultures presented obstacles that impacted our health, safety and environment (HSE) performance. Unfortunately, we moved backwards in our injury rate numbers, and our number of spills and releases. Because this performance is unacceptable, we are recalibrating our HSE mindset throughout our company and aspiring to achieve excellence under one integrated set of HSE standards.

We view this period as a learning opportunity. As Albemarle expands globally, we must integrate our operations more quickly to follow one set of standards. Operating safety and reducing our environmental footprint are key principles for Albemarle and I expect that in the future we will deliver world-class Health Safety and Environmental (HSE) performance under one integrated set of HSE standards.

A key part of our sustainability in the specialty chemicals industry is to ensure we are up to date on trends and proposed changes to regulations and policies across all the countries and regions in which we operate. Not only do we remain informed but we also actively participate in the

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dialogue around many key topics such as product testing and data integrity. Through this engagement we believe that we are making our industry the best it can be.

During 2015, Albemarle along with our technology partners, Chicago Bridge & Iron Company (CB&I) and Neste Corporation, implemented the use of the world's first solid acid catalyst alkylation unit to utilize the AlkyStar catalyst. This breakthrough process technology is a commercially viable and safe option to produce high-quality alkylate without the use of liquid acid-catalysts. It is inherently safer when compared to technologies employing liquid acids, and it reduces waste streams of acids and acid-soluble oils. In recognition of this environmentally progressive project, Albemarle and our partners received the 2016 Presidential Green Chemistry Challenge Award by the U.S. Environmental Protection Agency (EPA) in cooperation with the American Chemical Society. I am very proud of this accomplishment, it is an example of the innovative thinking that we employ to improve our processes that result in safer and more environmentally friendly production of our products for our customers.

Another key component of our sustainability efforts is our commitment to the communities in which our more than 6,900 employees work and live. We recently surpassed the \$25 million mark in contributions from the Albemarle Foundation since its 2007 inception. I am very proud of our employees who are active in local fundraising and volunteer efforts to support their communities.

In 2015, we established the Albemarle Care Fund to allow current and former employees to directly help one another. This program provides funds to assist Albemarle employees and retirees who experience financial hardship due to a natural disaster, life-threatening illness or injury, death or other catastrophic extreme circumstance beyond the employee's control.

I am honored to share additional recognition received by Albemarle on behalf of the hard work and dedication of our employees:

- Albemarle's South Haven, Michigan facility was awarded the Michigan Voluntary Protection Program (MVPP) Star Award, the state's highest workplace safety and health award, from the Michigan Occupational Safety and Health Administration.
- The American Heart Association awarded Albemarle the Fit-Friendly Worksites Gold Award. This award recognizes worksites that fulfill criteria such as offering employees physical activity support, increasing healthy eating options at work, and promoting a wellness culture.

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- Albemarle received the Most Improved Supplier award from Linde Electronics in recognition of our efforts in quality and safety improvement.

As stewards of the planet, we are committed to meeting the needs of our customers for high quality products in a safe and environmentally responsible manner. We remain dedicated to the principles of operating safely, reducing our environmental footprint, enhancing our communities, and delivering solid returns to our shareholders. I look forward to improving our performance in these very important areas of our business because nothing is more important than the safety of our employees and the public at large. As Albemarle's global presence increases, so does our responsibility.

Sincerely,

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

Luke Kissam,  
Chairman, President & CEO



## G4-3 NAME OF THE ORGANIZATION

Albemarle Corporation

Unless the context otherwise indicates, the term 'Albemarle', 'we', 'us' and 'our' mean Albemarle Corporation and our consolidated subsidiaries.

## G4-4 PRIMARY BRANDS, PRODUCTS AND/OR SERVICES

We are a leading global developer, manufacturer and marketer of highly-engineered specialty chemicals that meets customer needs across a diverse range of end markets. The end markets we serve include petroleum refining, consumer electronics, energy storage, construction, automotive, steel and aerospace, lubricants, pharmaceuticals, crop protection, household appliances, heating, ventilation, aluminum finishing, food safety and custom chemistry services. We believe that our commercial and geographic diversity, technical expertise, innovative capability, flexible, low-cost global manufacturing base, experienced management team and strategic focus on our core base technologies will enable us to maintain leading market positions in those areas of the specialty chemicals industry in which we operate.

On January 12, 2015, we completed the acquisition of Rockwood Holdings, Inc. ("Rockwood") pursuant to an Agreement and Plan of Merger for a purchase price of approximately \$5.7 billion. As a result, Rockwood became a wholly-owned subsidiary of Albemarle.

### *Business Segments*

As a result of the Rockwood acquisition, in 2015 we realigned our organizational structure under three reportable segments: Performance Chemicals, Refining Solutions and Chemetall Surface Treatment. Each segment has a dedicated team of sales, research and development, process engineering, manufacturing and sourcing, and business strategy personnel and has full accountability for improving execution through greater asset and market focus, agility and responsiveness. The new business structure aligns with the markets and customers we serve through each of the segments. The new structure also facilitates the continued standardization of business processes across the organization, and is consistent with the manner in which information is presently used internally by our management to evaluate performance and make resource allocation decisions.



## **Performance Chemicals Segment**

As of December 31, 2015, our Performance Chemicals segment consisted of three product categories: Lithium, Performance Catalyst Solutions, and Bromine.

### ***Lithium.***

Our Lithium business develops advanced materials for a wide range of industries and end markets. We believe that our Lithium business is a low-cost producer of the most diverse product portfolio of lithium derivatives in the industry.

We develop and manufacture a broad range of basic lithium compounds, including lithium carbonate, lithium hydroxide, lithium chloride, and value-added lithium specialties and reagents, including butyllithium and lithium aluminum hydride. Lithium is a key component in products and processes used in a variety of applications and industries, which include lithium batteries used in consumer electronics and automobiles, high performance greases, thermoplastic elastomers for car tires, rubber soles and plastic bottles, catalysts for chemical reactions, organic synthesis processes in the areas of steroid chemistry and vitamins, various life science applications, as well as intermediates in the pharmaceutical industry, among other applications. We also develop and manufacture cesium products for the chemical and pharmaceutical industries, and zirconium, barium and titanium products for various pyrotechnical applications, including airbag igniters.

In addition to developing and supplying lithium compounds, we provide technical services, including the handling and use of reactive lithium products. We also offer our customers recycling services for lithium containing by-products resulting from synthesis with organolithium products, lithium metal and other reagents. We plan to continue to focus on the development of new products and applications.

### ***Lithium-Customers***

Our most significant customers include Panasonic Corporation, Syngenta AG, Umicore S.A., Samsung SDI Co. Ltd. and Royal DSM N.V.

### ***Lithium-Competition***

The global lithium market consists of producers located in the Americas, Asia-Pacific and, (to a lesser extent), Africa. We believe that we are a leading global provider of lithium compounds.

Competitors include but is not limited to FMC Corporation, Sociedad Quimica y Minera de Chile S.A., SichuanTianqi Lithium, and Jiangxi Ganfeng Lithium. Competition in this part of the business is based on product quality, reliability of supply and customer service. In the metal-based specialty chemicals business, competitors include but is not limited to Cabot Corporation and Sigma-Aldrich Corporation. Competition in this part of the business is based on product quality and product diversity.

### ***Lithium-Raw Materials and Significant Supply Contracts***

We obtain lithium through solar evaporation of our ponds at the Salar de Atacama, in Chile, and in Silver Peak, Nevada. After we obtain the lithium brine from the Salar de Atacama, we process it into lithium carbonate and lithium chloride at a plant in nearby La Negra, Chile. The lithium brine from our Silver Peak site is processed into lithium carbonate at our Silver Peak plant. Subsequently, in other locations in the United States (“U.S.”), Germany, France and Taiwan, we further process the materials into various derivatives, depending on the markets we serve.

Our mineral rights with respect to the Salar de Atacama in Chile consist exclusively of our right to access lithium brine pursuant to a long-term contract with the Chilean government, originally entered into in January 1975 by one of our predecessors and subsequently amended and restated. Our contract with the Chilean government was amended again in January 2017 to provide, among other things, a further term extension until December 2044 and significant increase in our extraction rights. In February 2016 we announced that we were granted approval by the Environmental Assessment Commission of the Antofagasta Region to increase our currently authorized lithium brine removal rate in the Salar de Atacama. The size of the area at the Salar de Atacama covered by our claims is approximately 16,700 hectares. We currently own the land on which we operate our facility at the Salar de Atacama and our processing facility in La Negra. However, the ownership of the land at the Salar de Atacama will revert to the Chilean government once we have sold all amounts of lithium remaining under our contract with the Chilean government (the ownership of the land and fixed assets in La Negra will remain unchanged).

Our mineral rights in Silver Peak, Nevada consist exclusively of our right to access lithium brine pursuant to a settlement agreement with the U.S. government, originally entered into in June 1991 by one of our predecessors. Pursuant to this agreement, we have rights to all of the lithium that we can remove economically. We or our predecessors have been operating at the

Silver Peak site since 1966. Our Silver Peak site covers a surface of approximately 15,301 acres, 10,826 acres of which we own through a subsidiary. The remaining acres are owned by the U.S. government from whom we lease the land pursuant to a lease agreement that is renewed annually. Based on our 2015 production levels, we believe that the amount of lithium brine that we can economically obtain from our Silver Peak, Nevada site pursuant to our contract with the U.S. government could support the current levels of lithium carbonate production for approximately 20 years. Assuming that certain operating conditions are satisfied, our annual lithium carbonate production capacity is estimated to be approximately 6,000 metric tons at our Silver Peak facility. We can give no assurance that the anticipated levels of production of lithium carbonate at either Silver Peak or La Negra will be realized.

We also own a 49% interest in Windfield Holdings Pty Ltd, which directly owns 100% of the equity of Talison Lithium Pty Ltd, a company incorporated in Australia (“Talison”). Talison, through its wholly-owned subsidiaries, owns and operates a lithium mine in Greenbushes, Western Australia and mines lithium ore, which is then milled and processed to separate lithium concentrate from the rest of the ore. Talison currently sells the lithium concentrate to its shareholders. Talison has a leading position in two categories of lithium concentrates: (i) technical-grade lithium concentrates that have low iron content for use in the manufacture of glass, ceramics and heat-proof cookware; and (ii) a high-yielding chemical-grade lithium concentrate, which is used to produce lithium chemicals that form the basis for manufacture of lithium-ion batteries for laptop computers, mobile phones, electric bicycles and electric vehicles. Assuming certain operating conditions are satisfied, the annual lithium concentrate production capacity at the Talison facility is estimated to be approximately 575,000 metric tons. We can give, no assurance however, that the anticipated levels of production of lithium concentrate at Talison will be realized.

### ***Performance Catalyst Solutions (“PCS”).***

We have four product lines in our PCS division: polymer catalysts, curatives, organometallics and electronic materials. We manufacture organometallic co-catalysts (e.g., aluminum, magnesium and zinc alkyls) as well as metallocene components and co-catalysts (e.g., methylaluminumoxane, organoborons, metallocene compounds, and finished polymerization catalysts comprising these products). We also offer finished single-site catalysts with or without our proprietary ActivCat<sup>®</sup> activation technology and a line of proprietary Ziegler-Natta catalysts under our Advantage<sup>™</sup> brand. Our co-catalysts and finished catalysts are used in our customers’

production of polyolefin polymers. Such polymers are commodity (i.e., Ziegler-Natta polymerization technology-based) and specialty (i.e., Single Site polymerization technology-based) plastics serving a wide variety of end markets including packaging, non-packaging, films and injection molding. Some of our organometallic products are also used in the manufacture of alpha-olefins (i.e., hexene, octene, decene). In electronic materials, we manufacture and sell high purity metal organic products into electronic applications such as the production of light-emitting diodes (“LEDs”) for displays and general lighting, as well as other products used in the production of solar cells. Our curatives include a range of curing agents used in polyurethanes, epoxies and other engineered resins.

### ***PCS-Customers***

Our PCS business customers include multinational corporations such as ExxonMobil Corporation, Chevron Corporation, Total Petrochemicals, Saudi Basic Industries Corporation and Ineos Group Holdings S.A. There are thousands of polyolefin and elastomer units worldwide that require a constant supply of co-catalysts and finished catalysts.

### ***PCS-Competition***

Our PCS business serves the global market including the Americas, Europe, Asia and the Middle East. Our major competitors in the PCS market include AkzoNobel N.V., Chemtura Corporation and W.R. Grace & Co. in the polyolefin catalysts and co-catalysts areas. Lonza Group is our main competitor in the curatives market.

### ***PCS-Raw Materials and Significant Supply Contracts***

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

## **Bromine Segment**

Our bromine and bromine-based business includes products used in fire safety solutions and other specialty chemicals applications. Our fire safety technology enables the use of plastics in high performance, high heat applications by enhancing the flame resistant properties of these materials. Some of the end market products that benefit from our fire safety technology include plastic enclosures for consumer electronics, printed circuit boards, wire and cable, electrical connectors, textiles and foam insulation. Our bromine based business also includes specialty chemicals 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, water purification, beef and poultry processing and various other industrial applications. Other specialty chemicals that we produce include tertiary amines for surfactants, biocides, and disinfectants and sanitizers.

## ***Bromine-Customers***

Our bromine business offers more than 40 products to a variety of end markets. We sell our products mostly to chemical manufacturers and processors, such as polymer resin suppliers, drilling and oil service companies, beef and poultry processors, water treatment and photographic companies, energy producers and other specialty chemical companies.

Sales of bromine and brominated derivatives 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 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.

A number of customers of our bromine business operate in cyclical industries, including the consumer electronics and oil field industries. As a result, demand from our customers in such industries is also cyclical.

## ***Bromine-Competition***

Our bromine business serves the following geographic markets: the Americas, Asia, Europe and the Middle East, each of which is highly competitive. Product performance and quality, price



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

### ***Bromine-Raw Materials and Significant Supply Contracts***

The bromine that we use is sourced from two locations: Arkansas and the Dead Sea. Our bromine production operations in Arkansas are supported by an active brine rights leasing program. We estimate that, at current production levels, we will be able to produce bromine in Arkansas for more than 50 years. In addition, through our 50% interest in Jordan Bromine Company Limited (“JBC”), a consolidated joint venture with operations in Safi, Jordan, we source bromine from the Dead Sea, which is believed to have indefinite (and virtually inexhaustible) quantities of brine. In addition, we have a joint venture with Weifang Sinobrom Import and Export Company, Ltd. in China that allows us the option to source bromine directly from China’s Shandong Province brine fields.

### **Refining Solutions Segment**

Our two main product lines in this segment are (i) Clean Fuels Technologies, which is primarily composed of hydroprocessing catalysts (“HPC”), and (ii) Heavy Oil Upgrading (“HOU”), which is primarily composed of fluidized catalytic cracking (“FCC”) catalysts and additives. HPC products are widely applied throughout the refining industry. Their application enables the upgrading of oil fractions to clean fuels and other usable oil feedstocks and products by removing sulfur, nitrogen and other impurities from the feedstock. In addition, they improve product properties by adding hydrogen and in some cases improve the performance of downstream catalysts and processes. We continuously seek to add more value to refinery operations by offering HPC products that meet our customers’ requirements for profitability and performance in the very demanding refining market. FCC catalysts assist in the high yield cracking of less desired refinery petroleum streams into derivative, higher-value products such as transportation fuels and petrochemical feedstocks like propylene. Our FCC additives are used to reduce emissions of sulfur dioxide and nitrogen oxide in FCC units and to increase yield of liquefied

petroleum gas olefins, such as propylene, and to boost octane in gasoline. Albemarle offers unique refinery catalysts to crack and treat the lightest to the heaviest feedstocks while meeting refinery yield and product needs. We offer a wide range of HPC products and approximately 60 different FCC catalysts and additives products to our customers.

### ***Refining Solutions -Customers***

Our Refining Solutions segment customers include:

- multinational corporations such as ExxonMobil Corporation, Chevron Corporation, TOTAL S.A., Saudi Aramco and its joint ventures, and INEOS Group Holdings S.A.;
- Independent petroleum refining companies such as Valero Energy Corporation, SK Energy Holdings, Reliance Industries and Marathon Petroleum; and
- National petroleum refining companies such as Petróleo Brasileiro S.A., Petróleos Mexicanos, PetroVietnam, Kuwait National Petroleum Company, Abu Dhabi National Oil Company and Indian Oil Corp.

In 2015 the total number of refineries worldwide was reduced from 643 to 634 and we see this trend continuing with smaller refineries shutting down and being replaced by mega refineries, with growth concentrated in the Middle East. Oil refining has once again increased after minor declines in the last two years.

We estimate that there are currently approximately 500 FCC units being operated globally, each of which requires a constant supply of FCC catalysts. In addition, we estimate that there are approximately 3,000 HPC units being operated globally, or a capacity of approximately 44 million barrels per day, each of which typically requires replacement HPC catalysts once every one to four years.

### ***Refining Solutions-Competition***

Our Refining Solutions segment serves the global market including the Americas, Asia, Europe and the Middle East, each of which is highly competitive. Product performance and quality, price and contract terms are the primary factors in determining which qualified supplier is awarded a contract.

Research and development, product and process improvements, specialized customer services, the ability to attract and retain skilled personnel and the maintenance of a good safety record have also been important factors to compete effectively in the Catalysts marketplace. Through our research and development programs, we strive to differentiate our business by developing value-added products and products based on proprietary technologies.

Our major competitors in the HPC catalysts market include Criterion Catalysts and Technologies, Advanced Refining Technologies and Haldor Topsoe A/S. Our major competitors in the FCC catalysts market include W.R. Grace & Co., BASF Corporation and China Petrochemical Corporation (Sinopec).

### ***Refining Solutions-Raw Materials and Significant Supply Contracts***

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

### **Chemetall Surface Treatment Segment**

As of December 31, 2015 our Chemetall Surface Treatment segment operated under the *Chemetall*<sup>®</sup> brand name. This segment is a leading global supplier of applied surface treatments and services for metal, plastic and glass substrates in a wide range of industries and end markets. Chemetall Surface Treatment's products are used for a variety of applications and serve the automotive, aerospace, aluminum finishing, coil, cold forming, glass and general industrial markets, including metal fabrication. As of December 31, 2015 we also provided process control and on-site support at our customers' facilities with local representation worldwide. These systems are designed to ensure that the final requirements of our customers' treated products are met in terms of proper surface treatment prior to painting, corrosion protection and preservation of mechanical properties.

Chemetall Surface Treatment competes in markets characterized by proprietary manufacturing technologies and know-how, demanding product-handling requirements, rigorous product quality and performance specifications, all accompanied by longstanding customer relationships. In order to remain competitive, we focused this segment on developing innovative products, improving process technologies, expanding our customer base, and broadening our technology capabilities in existing and new markets through internal research and development and value-enhancing (bolt-on) acquisitions. In December 2016, we sold this segment to the BASF group.

### ***Chemetall-Customers***

Chemetall Surface Treatment serves customers globally in a wide variety of industries with a diverse product portfolio. The customer base for this segment ranges from local, small and mid-size companies to global, multinational Fortune 500 companies such as Airbus Group, ArcelorMittal S.A., Caterpillar Inc., Daimler A.G., The Ford Motor Company, Renault-Nissan Alliance, Novelis Corporation, Group PSA (seller of Peugeot and Citroen vehicles) and Hyundai Motor Group, among many others.

### ***Chemetall-Competition***

We believe that as of December 31, 2015 we were a global leader in the surface treatment market. Our global competitors included Henkel AG & Company, KGaA, Nihon Parkerizing Co. Ltd., PPG Industries Inc., and Nippon Paint Holdings Co. Ltd.. Competition in this market is based primarily on customer service, product innovation and quality, and technological capabilities.

### ***Chemetall-Raw Materials and Significant Supply Contracts***

The major raw materials used in the Chemetall Surface Treatment segment include phosphoric acid and phosphates, as well as non-ferrous metals such as zinc and nickel. The raw materials used in our operations were purchased from various suppliers at prices that we believe are competitive. We secured our supply of phosphoric acid, which was used in our conversion coating process, through quarterly supply contracts with fixed prices. Phosphoric acid is produced from phosphate rock, and the majority of global phosphate rock reserves are located in Northern Africa, China, the Middle East, the U.S. and Russia. Even though we do not expect a shortage of phosphate rock and phosphoric acid in the near term, we employed a global procurement strategy to mitigate the risk of supply disruptions. Non-ferrous metal products are traded on

exchanges such as the London Metal Exchange (LME). We believe that zinc and nickel will be available in sufficient quantities for the foreseeable future.

## *Sales, Marketing and Distribution*

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

## *Research and Development*

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

Our research and development efforts support each of our business segments. As of December 31, 2015, the focus of research in Performance Chemicals is divided among new and improved flame retardants, new uses for bromine and bromine-based products, curing agents and the development of efficient processes for the manufacture of chemical intermediates and actives for the pharmaceutical and agrichemical industries. Fire safety solutions research is focused primarily on developing new flame retardants that not only meet the higher performance requirements required by today's polymer producers, formulators and original equipment manufacturers but that also have superior toxicological and environmental profiles. Another area



of research is the development of bromine-based products for use as biocides in industrial water treatment and food safety applications and as additives used to reduce mercury emissions from coal-fired power plants. Curatives research is focused primarily on improving and extending our line of curing agents and formulations. The objective of the Lithium research and development effort is to develop innovative chemistries and technologies with applications relevant within targeted key markets. Research and development efforts are generally focused on both process development (e.g., pilot plant for the recycling of lithium ion batteries) as well as new product development (e.g., for lithium ion battery applications). PCS research efforts are focused on catalyst performance as well as process improvements.

Our Refining Solutions research is focused on the needs of our refinery catalysts customers. 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 through hydrotreating catalyst technologies. With regard to Heavy Oil Upgrading, we focus our efforts on the production of more and better fuels from more complex and lower accessible/convertible feedstock through the use of novel FCC technologies.

As of December 31, 2015 Chemetall Surface Treatment's research and development activities were focused on the development of products to meet customer demands that are also in accordance with regional environmental requirements. Our goal was to help solve our customers' complex manufacturing challenges by developing proprietary formulations utilizing industry knowledge, expertise and a forward-looking team of individuals with manufacturing know-how. Our commitment to research and development and product portfolio enhancements are an important aspect of our business that characterized Chemetall as a supplier of choice that creates value for our customers.

We incurred research and development expenses of \$102.9 million, \$88.3 million and \$82.2 million during 2015, 2014 and 2013, respectively.

## **G4-5 LOCATION OF ORGANIZATION'S HEADQUARTERS**

As of June 1, 2016 Albemarle's newly relocated corporate headquarters are located at:

4350 Congress Street, Suite 700

Charlotte, North Carolina 28209

United States of America

Prior to June 1, 2016, Albemarle's corporate headquarters were located at: 451 Florida Street  
Baton Rouge, Louisiana 70801  
United States of America

## **G4-6/G4-7 NUMBER OF COUNTRIES WHERE THE ORGANIZATION OPERATES, AND NAMES OF THE COUNTRIES WHERE EITHER THE ORGANIZATION HAS SIGNIFICANT OPERATIONS OR THAT ARE SPECIFICALLY RELEVANT TO THE SUSTAINABILITY ISSUES IN THE REPORT / NATURE OF OWNERSHIP AND LEGAL FORM**

We operate on a global basis. Our principal executive offices in Charlotte, North Carolina, United States of America (effective as of June 2016: prior to that our principal executive offices were in Baton Rouge, Louisiana, United States of America) and regional shared services offices in Budapest, Hungary and Dalian, China are leased. We and our affiliates also operate regional sales and administrative offices in various locations throughout the world, which are generally leased.

We believe that our production facilities, research and development facilities, and sales and administrative offices are generally well maintained, effectively used and are adequate to operate our business. During 2015, our manufacturing plants operated at approximately 73% capacity in the aggregate.

Set forth below is information regarding our significant production facilities operated by our affiliates and us:

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Location	Business Segment in 2015	Principal Use	Owned/Leased
Amsterdam, Netherlands	Refining Solutions	Production of refinery catalysts, research and product development activities	Owned
Auckland, New Zealand	Chemetail Surface Treatment	Production of surface treatment chemicals for general industry, aerospace, and other pre-treatment technologies	Leased
Baton Rouge, Louisiana	Performance Chemicals	Research and product development activities, and production of flame retardants, catalysts and additives	Owned; on leased land
Bayswater North, Australia	Chemetail Surface Treatment	Production of surface treatment chemicals for general industry, aerospace, and other pre-treatment technologies	Owned
Bitterfeld, Germany	Refining Solutions	Refinery catalyst regeneration, rejuvenation, and sulfiding	Owned by Eurecat S.A., a joint venture owned 50% by each of IFP Investissements and Albemarle
Blackman Township, Michigan	Chemetail Surface Treatment	Production of surface treatment chemicals for general industry, automotive, and other pre-treatment technologies	Owned
Boksburg, South Africa	Chemetail Surface Treatment	Production of surface treatment chemicals for automotive and other pre-treatment	Owned
Cambridge, United Kingdom	Performance Chemicals	Production of performance catalysts	Leased
Canovelles, Spain	Chemetail Surface Treatment	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Owned
Cayirova-Kocaeli, Turkey	Chemetail Surface Treatment	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Owned

# ORGANIZATIONAL PROFILE

Changchun, China	Chemetail Surface Treatment	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Leased by Changchun Chemetail Chemicals Company Limited, a joint venture owned 57% by us and 43% by Changchun Yongchan Petro Chemicals Company Limited
Chennai, India	Chemetail Surface Treatment	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Owned
Chongqing, China	Chemetail Surface Treatment	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Leased by Chongqing Chemetail Surface Treatment Company Limited, a joint venture owned 55% by us and 45% by Chongqing Delta Industry Company Limited
El Marqués, Querétaro, Mexico	Chemetail Surface Treatment	Production of surface treatment chemicals for aerospace, automotive, other pre-treatment technologies	Leased
Foshan, China	Chemetail Surface Treatment	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Leased by Foshan Chemetail Surface Treatment Company, a joint venture owned 57% by us and 43% by Changchun Yongchan Petro Chemicals Company Limited
Giussano, Italy	Chemetail Surface Treatment	Production of surface treatment chemicals for automotive and other pre-treatment	Owned
Greenbushes, Australia	Chemetail Surface Treatment	Production of lithium spodumene minerals and lithium concentrate	Owned by Windfield Holdings Pty Ltd, a joint venture in which we own 49%, and Sichuan Tianqi Lithium Industries Inc which owns the remaining interest
Jubail, Saudi Arabia	Performance Chemicals	Manufacturing and marketing of organometallics	Owned; Albemarle Netherlands BV and Saudi Specialty Chemicals Company (a SABIC affiliate) each owns 50% interest

# ORGANIZATIONAL PROFILE

Jundiai/São Paulo, Brazil	Chemetail Surface treatment	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Owned
Kings Mountain, North Carolina	Performance Chemicals	Production of technical and battery grade lithium hydroxide	Owned
La Mirada, California	Chemetail Surface Treatment	Production of surface treatment chemicals for pre-treatment technologies and aerospace	Leased
La Negra, Chile	Performance Chemicals	Production of lithium carbonate and lithium chloride	Owned
Langelshiem, Germany	Performance Chemicals; Chemetail Surface Treatment	Production of butyllithium, lithium chloride, specialty products, lithium hydrides, cesium, special metals, as well as surface treatment chemicals for automotive technologies, other pre-treatment technologies and aerospace (sealants)	Owned
Louvain-la-Neuve, Belgium	Refining Solutions; Performance Chemicals; All other	Regional offices and research and customer technical service activities	Owned
La Voulte, France	Refining Solutions	Refinery catalysts regeneration and treatment, research and development activities	Owned by Eurecat S.A., a joint venture owned 50% by each of IFP Investissements and Albemarle
Magnolia, Arkansas	Performance Chemicals	Production of flame retardants, bromine, inorganic bromides, agricultural intermediates and tertiary amines	Owned



# ORGANIZATIONAL PROFILE

McAlester, Oklahoma	Refining Solutions	Refinery catalyst regeneration, rejuvenation, pre-reclaim burn off, as well as specialty zeolites and additives marketing activities	Owned by Eurecat S.A., a joint venture owned 50% by each of IFP Investissements and Albemarle
Mobile, Alabama	Performance Chemicals	Production of tin stabilizers	Owned by PMC Group, Inc. which operates the plant for Stannica LLC, a joint venture in which we and PMC Group Inc. each own a 50% interest
Mönchengladbach, Germany	Chemetail Surface Treatment	Production of surface treatment chemicals for general industry	Owned
Nanjing, China	Chemetail Surface Treatment	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Leased
New Johnsonville, Tennessee	Chemetail Surface Treatment	Production of specialty products	Owned
Niihama, Japan	Refining Solutions	Production of refinery catalysts	Leased by Nippon Ketjen Company Limited, a joint venture owned 50% by each of Sumitomo Metal Mining Company Limited and Albemarle
Pasadena, Texas	Performance Chemicals; All other	Production of aluminum alkyls, alkenyl succinic anhydride, orthoalkylated anilines, and other specialty chemicals	Owned
Pasadena, Texas	Refining Solutions	Production of refinery catalysts, research and development activities	Owned
Pasadena, Texas	Refinery Solutions	Refinery catalysts regeneration services	Owned by Eurecat U.S. Incorporated, a joint venture in which we own a 57.5% interest and a consortium of entities in various proportions owns the remaining interest
Pune, India	Chemetail Surface Treatment	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Owned

# ORGANIZATIONAL PROFILE

Safi, Jordan	Performance Chemicals	Production of bromine and derivatives and flame retardants	Owned and leased by JBC, a joint venture owned 50% by each of Arab Potash Company Limited and Albemarle
Salar de Atacama, Chile	Performance Chemicals	Production of lithium brine and potash	Owned; however ownership will revert to the Chilean government once we have sold all remaining amounts under our contract with the Chilean government pursuant to which we extract lithium brine in Chile
Santa Cruz, Brazil	Refining Solutions	Production of catalysts, research and product development activities	Owned by Fábrica Carioca de Catalisadores S.A, a joint venture owned 50% by each of Petrobras Química S.A.- PETROQUISA and Albemarle
Sens, France	Chemetall Surface Treatment	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Owned
Shanghai, China	Chemetall Surface Treatment	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Leased
Silver Peak, Nevada	Performance Chemicals	Production of lithium-carbonate	Owned
Singapore, Singapore	Chemetall Surface Treatment	Production of surface treatment chemicals for aerospace and other pre-treatment technologies	Leased
Soissons, France	Chemetall Surface Treatment	Production of surface treatment chemicals for aerospace industry	Owned
South Haven, Michigan	All other	Production of custom fine chemistry products including pharmaceutical active ingredients	Owned
Taichung, Taiwan	Chemetall Surface Treatment	Production of butyllithium	Owned
Takaishi City, Osaka, Japan	Performance Chemicals	Production of aluminum alkyls	Owned by Nippon Aluminum Alkyls, a joint venture owned 50% by each of Mitsui Chemicals, Inc. and us
Twinsburg, Ohio	Performance Chemicals	Production of bromine-activated carbon	Leased

# ORGANIZATIONAL PROFILE

Tyrone, Pennsylvania	All other	Production of custom fine chemistry products, agricultural intermediates, performance polymer products and research and development activities	Owned
Willstätt, Germany	Chemetall Surface Treatment	Production of surface treatment chemicals for coil coating applications	Leased
Yeosu, South Korea	Performance Chemicals	Research and product development activities/ small scale production of catalysts and catalyst components	Owned

## G4-8 MARKETS SERVED (INCLUDING GEOGRAPHIC BREAKDOWN, SECTORS SERVED, AND TYPES OF CUSTOMERS / BENEFICIARIES)

<b>2015 Sales Results</b> (In thousands, except percentages)		
2015 Net Sales	\$	3,651,335
<b>2015 Sales by Region</b>		
United States	\$ 1,118,847	30.6%
Foreign	\$ 2,532,488	69.4%
Total		100%
<b>2015 Sales by Business Unit</b>		
Performance Chemicals	\$ 1,610,319	44.1%
Refining Solutions	\$ 729,261	20.0%
Chemetall Surface Treatment	\$ 824,906	22.6%
All Other <sup>1</sup>	\$ 471,434	12.9%
Corporate <sup>2</sup>	\$ 15,415	0.4%
Total		100%

1. The **All Other** category is comprised of three operating segments that did not fit into any of our core businesses subsequent to the acquisition of Rockwood: (1) mineral-based flame retardants and specialty chemicals, (2) fine chemistry services and (3) metal sulfides.
2. The **Corporate** category is not considered to be a segment and includes corporate-related items not allocated to the reportable segments.

## G4-9 SCALE OF REPORTING ORGANIZATION

As of February 1, 2016, we had 6,963 employees of whom 2,990 (or 43%), were employed in the U.S. and Latin America; 2,740 (or 39%), were employed in Europe; 894 (or 13%), were employed in Asia and 339 (or 5%), were employed in the Middle East. Certain of these employees are represented by unions or works councils. We believe that we generally have a good relationship with our employees, and the unions and works councils that represent certain employees.

We and our joint ventures currently operate 51 production and research and development (“R&D”) facilities, as well as a number of administrative and sales offices, in North and South America, Europe, the Middle East, Asia, Africa and Australia. As of December 31, 2015, we served approximately 30,000 customers in approximately 100 countries.

Financial Highlights (Year Ended Dec 31, 2015):

Net Sales: \$3.651 Billion

Total Assets: \$9.615 Billion

Total Long-Term Debt: \$3.852 Billion

Stockholders' Equity: \$3.254 Billion

Beneficial ownership information is found in the Albemarle Corporation 2015 Proxy Statement filed with the U.S. Securities and Exchange Commission on March 29, 2016.

# ORGANIZATIONAL PROFILE

## G4-10 TOTAL WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT, AND REGION

2015 Worldwide Staffing Summary (as of December 31, 2015)

	Permanent			Temporary	TOTAL
	Salaried	Hourly	Total Direct	Contract	
Americas	1,644	829	2,473	535	3,008
Europe, Middle East and Africa	2,097	296	2,393	198	2,591
Asia Pacific	351	0	351	0	351
<b>TOTAL</b>	<b>4,092</b>	<b>1,125</b>	<b>5,217</b>	<b>733</b>	<b>5,950</b>

## G4-11 PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

Significant Location(s)	Name(s)	% Employees Represented by Unions / CBA
<b>Americas</b>		
Arkansas	Magnolia Plants	0%
California	La Mirada	0%
Louisiana	BRT - Baton Rouge Tower	0%
Louisiana	PDC- Baton Rouge Process Development Center	26%
Michigan	Jackson	35%
Michigan	South Haven Plant	0%
Nevada	Silver Peak	0%
New Jersey	New Providence	0%
North Carolina	Kings Mountain	0%
Pennsylvania	Tyrone Plant	0%
Tennessee	New Johnsonville	67%
Texas	Bayport Plant	0%
Texas	Clear Lake Office	0%
Texas	Pasadena Plant	58%

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Europe, Middle East and Africa		
Amsterdam, Netherlands	Amsterdam	95%
Bergheim Germany	Bergheim	95%
Chemetall, Germany	Frankfurt am Main; Langelsheim; Willstätt	92%
Rockwood Lithium Germany	Frankfurt am Main; Langelsheim	92%
Budapest Hungary	Budapest	0%
JBC (Jordan Bromine Company Limited, 50% joint venture)	Jordan	80% Based on permanent employees
Louvain-la-Neuve Belgium	Louvain-la-Neuve (LLN)	0%
Asia Pacific		
Beijing China	Beijing	0% (non-union)
Shanghai China	Shanghai	0% (non-union)
Dalian China	Dalian	0% (non-union)
Ninghai China	Ningbo	0% (non-union)
Yeosu South Korea	South Korea	0% (non-union)
Singapore	Singapore	0% (non-union)
Tokyo Japan	Japan	0% (non-union)

## G4-13 SIGNIFICANT CHANGES DURING THE REPORTING PERIOD REGARDING SIZE, STRUCTURE OR OWNERSHIP

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

On January 12, 2015, we completed the acquisition of Rockwood for a purchase price of approximately \$5.7 billion, with Rockwood becoming a wholly-owned subsidiary of Albemarle. Through the acquisition of Rockwood, we became a leading integrated and low cost global producer of lithium and lithium compounds used in lithium-ion batteries for electronic devices, alternative transportation vehicles and energy storage technologies, meeting the significant growth in global demand for these products. We are also now one of the largest global producers

of surface treatments and coatings for metal processing, servicing the automotive, aerospace and general industrial markets. The acquisition of Rockwood reflects our commitment to drive sustainable growth.

On February 19, 2015, our Chemetall Surface Treatment segment completed the acquisition of all remaining shares of its Shanghai Chemetall joint venture for a purchase price of \$57.6 million, and as of December 31, 2015 was the sole owner of the entity.

On May 1, 2015, our Chemetall Surface Treatment segment completed the acquisition of the aluminum finishing business of Chemal GmbH & Co. KG, based in Hamm, Germany. Cash paid in connection with this acquisition was approximately \$2.2 million.

On December 23, 2015, we paid approximately \$4.8 million in connection with the acquisition of the remaining non-controlling interests' share of Nanjing Chemetall Surface Technologies Co., Ltd.

In 2015, we announced our intention to pursue strategic alternatives, including divestitures, related to certain businesses that include minerals-based flame retardants and specialty chemicals, fine chemistry services and metal sulfides. On January 4, 2016, we completed the sale of our Tribotecc metal sulfides business to Treibacher Industrie AG for net proceeds of approximately \$137 million. Included in the transaction were sites in Vienna and Arnoldstein, Austria, and Tribotecc's proprietary sulfide synthesis process. On February 1, 2016, we completed the sale of our minerals-based flame retardants and specialty chemicals businesses to Huber Engineered Materials, a division of J.M. Huber Corporation, for net proceeds of approximately \$187 million. The transaction includes Albemarle's Martinswerk GmbH subsidiary and manufacturing facility located in Bergheim, Germany, and Albemarle's 50% ownership interest in Magnifin Magnesiaprodukte GmbH, a joint-venture with Radex Heraklith Industriebeteiligung AG at Breitenau, Austria.



## **G4-14 EXPLANATION OF WHETHER AND HOW THE PRECAUTIONARY APPROACH OR PRINCIPLE IS ADDRESSED BY THE ORGANIZATION**

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

- Whistleblower policy
- Code of Conduct
- Responsible Care® 14001 (RC14001®)
- Sustainable Development Policy
- Global Reporting Initiative (GRI)
- Emissions Trading in the European Union
- Community involvement (Natural disaster relief as an example)
- Technology innovation
- VECAP™ (Voluntary Emissions Control Action Program)

## **G4-15 LIST EXTERNALLY DEVELOPED ECONOMIC, ENVIRONMENTAL AND SOCIAL CHARTERS, PRINCIPLES OR OTHER INITIATIVES TO WHICH THE ORGANIZATION SUBSCRIBES OR WHICH IT ENDORSES**

Albemarle's has adopted a Health, Safety & Environmental Policy (the "HSE Policy"). The HSE Policy covers topics such as governance, safety stewardship, social responsibility, green chemistry principles, product safety and environmental obligations, people, and financial performance. The HSE Policy indicates that Albemarle aims to collaborate to share information and implement best practices across our organization, and to encourage its employees to perform at their highest potential, empowering them to prevent accidents or incidents before they happen. The HSE Policy provides that Albemarle will strive for continuous improvement in environmental performance and will measure its performance against its top performing peers. It endeavors

# ORGANIZATIONAL PROFILE

that all of its employees (from business development to line management) will reduce emissions caused by company operations by optimizing raw material, energy and water usage. Albemarle endeavors to consider product safety and environmental impact issues of its products throughout the entire life cycle, including inception, design, development, manufacture, storage, transportation, distribution, marketing, use and disposal. The HSE Policy empowers employees to elevate issues to the appropriate level to ensure proper focus and resources are provided in the event they anticipate or must respond to any issue and (if necessary) to discontinue operations in order to take corrective actions and improve conditions before they lead to incidents. The goal is for no one to undertake a task unless it can be done in a safe and environmentally responsible manner. Albemarle has posted the HSE Policy to its website at <http://www.albemarle.com/sustainability/safety-37.html>.

Following is a list of principles and initiatives that Albemarle has endorsed or adopted:

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

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## G4-16 MEMBERSHIPS IN ASSOCIATIONS (SUCH AS INDUSTRY ASSOCIATIONS) AND/OR NATIONAL/INTERNATIONAL ADVOCACY ORGANIZATIONS IN WHICH THE ORGANIZATION: \* HAS POSITIONS IN GOVERNANCE BODIES; \* PARTICIPATES IN PROJECTS OR COMMITTEES; \* PROVIDES SUBSTANTIVE FUNDING BEYOND ROUTINE MEMBERSHIP DUES; OR \* VIEWS MEMBERSHIP AS STRATEGIC

Alliance for Consumer fire safety in Europe (ACFSE)	American Chemistry Council (ACC)
American Fuel and Petrochemical Manufacturers (AFPM)	American Board of Industrial Hygiene (ABIH)
American Chemical Society (ACS)	American-China Chamber of Commerce (AmCham)
The American Chamber of Commerce to the European Union (AmCham EU)	The American Chamber of Commerce to Asia (AmCham Asia)
American Industrial Hygiene Association (AIHA)	American Institute of Chemical Engineers (AIChE)
American Society of Materials (ASM)	American Society of Mechanical Engineers (ASME)
American Society of Quality (ASQ)	Amsterdam, Netherlands Region Business Association (ORAM)
Arbeitgeberverband Chemie-Nord	Arkansas Environmental Federation
Arkansas State Chamber Of Commerce and AIA (Associated Industries Of Arkansas)	Asia Plastics Forum
Association Connecting Electronics Industries (IPC)	Association of the Dutch Chemical Industry (VNCI)
Association of the German Chemical Industry (VCI)	Association of International Chemical Manufacturers (AICM)
Business-Industry Political Action Committee (BIPAC)	Blair Chamber of Commerce Safety Committee
Blair County Local Emergency Planning Committee (LEPC)	Board of Certified Safety Professionals (BCSP)
Bromaid China	Bromaid Europe
Bromine Science and Environmental Forum (BSEF)	European Chemical Industry Council (CEFIC)
Center for Chemical Process Safety	Centexbel
Cercle de Lorraine	Channel Industries Mutual Aid (CIMA)
China Plastics Processing Industry Association (CPPIA)	China RoHS Working Group
Comité électronique Belge	Drug, Chemical and Associated Technologies (DCAT)

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Dutch Association for Energy, Environment and Water (VEMW)	ECETOC
East Harris County Manufacturers Association (EHCMA)	ESSENSCIA- Belgian federation for the chemical industry and life sciences
Eurometaux	European Catalyst Manufacturers Association (ECMA)
European Flame Retardants Association (EFRA)	European Association of Flexible Polyurethane Foam Manufacturers (EuroPUR)
Explosion Research Cooperative	Forum Elektromobilität
Global Safety forum	Greater Baton Rouge Industrial Alliance (GBRIA)
Groupement Technique Français contre l'Incendie (GTFI)	Hungarian Chemicals trade association (MAVESZ)
Houston Regional Monitoring	Institute for Clean Air Companies (ICAC)
International Antimony Association (I2A)	International Molybdenum Association
International Society of Pharmaceutical Engineers	La Porte Citizens Advisory Council
La Porte Local Emergency Planning Committee (LEPC)	Louisiana Chemical Association (LCA)
Louisiana Engineering Society (LES)	Maine State Chamber of Commerce
Magnolia Economic Development Commission	Magnolia Economic Development Commission
Manufacturers Alliance for Productivity and Innovation (MAPI)	Methyl Bromide Industry Panel
National Association of Corrosion Engineers (NACE)	National Association of Corporate Directors (NACD)
North American Flame Retardant Alliance (NAFRA)	Pennsylvania Chemical Industry Council (PCIC)
Polyurea Development Association Europe (PDA)	Portable Battery Recycle Association (PBRA)
PU Europe - Excellence in Insulation	Society of Chemical Manufacturers & Affiliates (SOCMA)
Stop Abuse for Everyone (SAFE)	Texas Chemical Council
The Confederation of Netherlands Industry and Employers (VNO-NCW)	Wildlife Habitat Council
Yeosu Chemical Plant Safety Manager Association	Yeosu Chamber of Commerce and Industry

# IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

## **G4-17 OPERATIONAL STRUCTURE OF THE ORGANIZATION, OPERATING COMPANIES, SUBSIDIARIES AND JOINT VENTURES**

The authority to manage the business is delegated to the Chief Executive Officer (the “Chief Executive Officer” or the CEO”) by the Board of Directors. The role of the Board of Directors is to effectively govern the affairs of the organization for the benefit of its stakeholders.

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

As a result of the Rockwood acquisition, we realigned our organizational structure under three reportable segments. During 2015, our reportable business segments consisted of the following: Performance Chemicals, Refining Solutions and Chemetall® Surface Treatment. The Performance Chemicals segment includes the Lithium, PCS and Bromine product categories. The Refining Solutions segment consists of the Heavy Oil Upgrading and Clean Fuels Technologies product categories. The Chemetall Surface Treatment segment consisted of the Surface Treatment product category. On October 26, 2015, we announced that effective January 1, 2016, Performance Chemicals would be split into two separate reportable segments: (1) Bromine Specialties, and (2) Lithium and Advanced Materials, which will include Lithium, Performance Catalyst Solutions and Curatives.

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

## **G4-28/G4-30 REPORTING PERIOD FOR INFORMATION PROVIDED / REPORTING CYCLE**

The reporting period for this information is the calendar year 2015. This is the eighth publicly released Sustainability Report for Albemarle Corporation. Publishing our annual Sustainability Report is the first step on our journey toward creating a report, prepared 'in accordance' - Core with the G4 Guidelines. The General Standard Disclosures related to Stakeholders Engagement and Identified Material Aspects and Boundaries are not included in this Sustainability Report because the necessary activities have not yet taken place. As a consequence, the Specific Standard Disclosures (DMA and Indicators) addressed in this Sustainability Report should not be considered as 'material' to the organization.

This report is released in 2017, based upon fiscal year (and calendar year) 2015 information unless otherwise noted in specific sections. Albemarle Corporation produces a Sustainability report annually. Commencing as to calendar year 2007, Albemarle Corporation has produced a Sustainability Report annually. See <http://www.albemarle.com/sustainability/sustainability-reports-36.html>

## **G4-31 CONTACT POINT FOR QUESTIONS REGARDING THE REPORT OR CONTENTS**

Tosca Langereis, Sustainability Reporting Specialist.

E-mail: [tosca.langereis@albemarle.com](mailto:tosca.langereis@albemarle.com)

## **G4-32 GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX**

The GRI-G4 Content Index is included at the end of the report.

## **G4-33 POLICY AND CURRENT PRACTICE WITH REGARD TO SEEKING EXTERNAL ASSURANCE FOR THE REPORT**

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

## **G4-34/ G4-38 GOVERNANCE STRUCTURE OF THE ORGANIZATION, INCLUDING COMMITTEES UNDER THE HIGHEST GOVERNANCE BODY RESPONSIBLE FOR SPECIFIC TASKS, SUCH AS SETTING STRATEGY OR ORGANIZATIONAL OVERSIGHT**

### *Board of Directors*

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

### *Ethical Business Principles*

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

### *Board Composition*

Albemarle's Corporate Governance Guidelines provide that given Albemarle's size and the nature of its business, a Board consisting of 7 to 12 members is appropriate. New York Stock Exchange and U.S. Securities and Exchange Commission rules as well as our Corporate Governance Guidelines concerning the Board's composition require a majority of the directors to be independent. As of the date of the issuance of this Sustainability Report, the Board had 11 members, all independent except for our CEO. Of those 11 members: (i) 100% were over 50 years old; (ii) 9% were female; and (iii) 18% [2 directors] represented an ethnic minority.

In order for the Board to consider a director as "independent," the director must: (i) be free of any relationship that, applying New York Stock Exchange rules, would preclude a finding of independence and (ii) not have any material relationship (either directly or as a partner, shareholder or officer of an organization) with Albemarle or any of its affiliates or any executive officer of Albemarle or any of its affiliates. In evaluating the materiality of any such relationship, the Board of Directors takes into consideration whether disclosure of the relationship would be required by the proxy rules under the Securities Exchange Act of 1934. If such disclosure is



required, the Board must make a determination that the relationship is not material as a prerequisite to finding that the director is independent.

## *Board Committees*

The Board maintains the following four standing Committees: Audit & Finance, Executive Compensation, Nominating & Governance, and Health Safety & Environment. In addition, the Board of Directors maintains an Executive Committee, composed of two directors (Messrs. Nokes and Kissam), which did not meet during 2015. The Board determined that each of the members of the standing Committees are: (i) “independent” within the meaning of New York Stock Exchange listing standards and the independence standards of our Corporate Governance Guidelines; (ii) “non-employee directors” (within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934); and (iii) “outside directors” (within the meaning of Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended).

## *Responsibilities of the Board of Directors and Committees*

Our Corporate Governance Guidelines lists responsibilities for the full Board and its committees, including:

- Approve major corporate actions and oversee, develop and implement Board policies;
- Review and approve financial plans, objectives and actions, including significant capital allocations and expenditures;
- Stay well-informed regarding our businesses and business strategies (management is responsible for providing accurate, timely and complete information to the Board);
- Monitor and assess management’s performance and execution of corporate plans and objectives and ask appropriate questions of management to address accountability with established goals;
- Be a partner with management on strategic issues by advising and consulting;
- Oversee our legal compliance programs and procedures;
- Assess the effectiveness of our health, safety and environment programs and initiatives;
- Be proactive in crisis situations;
- Appraise our major risks and oversee that appropriate risk management and control procedures are in place and that management takes the appropriate steps to manage our major risks, with the assistance of the Audit and Finance Committee and support from management;

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

### *Chief Executive Officer and Other Executive Officer Succession*

The Corporate Governance Guidelines provide for succession planning sessions to be held annually at a regular Board meeting, with the succession planning meeting to focus on the development and succession of not only the Chief Executive Officer (in both ordinary course and emergency scenarios) but also the other senior executives.

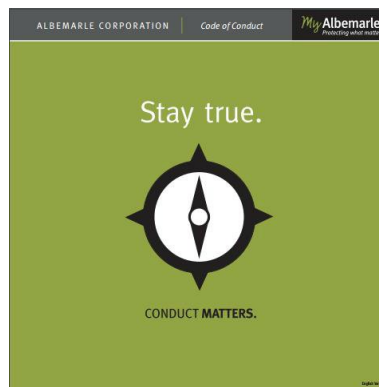
Pursuant to the Corporate Governance Guidelines, the Chief Executive Officer succession planning process must include a regular Board review and that any review of possible internal candidates should include:

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

## **G4-56/G4-57/G4-58 ORGANIZATION'S VALUES, PRICIPLES, STANDARDS AND NORMS OF BEHAVIOR SUCH AS CODES OF CONDUCT AND CODES OF ETHICS / INTERNAL AND EXTERNAL MECHANISMS FOR SEEKING ADVICE ON ETHICAL AND LAWFUL BEHAVIOR, AND MATTERS RELATED TO ORGANIZATIONAL INTEGRITY, SUCH AS HELP- OR ADVICE LINES / INTERNAL OR EXTERNAL MECHANISMS FOR REPORTING CONCERNS ABOUT UNETHICAL OR UNLAWFUL BEHAVIOR AND MATTERS OF INTEGRITY**

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

The Albemarle Corporation Board of Directors has adopted the Albemarle Corporation Code of Conduct (the "Code").



The Code of Conduct is managed by the Audit & Finance Committee of the Board of Directors and provides an overview of our expectations and standards for ethical behavior and compliance. The Code of Conduct identifies specific situations where conflicts of interest can arise, such as outside activities and employment, improper financial interests, doing business with family and friends, corporate opportunities, bribes and kickbacks, gifts and entertainment, inside information and insider trading and political contributions and lobbying activities. Potential conflicts of interest

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

### *Integrity Helpline*

We have established and maintain the Albemarle Integrity Helpline (the “Helpline”), which is a confidential, anonymous system for reporting via phone or the Internet suspected violations of the Code of Conduct (1) by mail to the Chief Compliance Officer, (2) by global toll-free telephone call (managed by an independent third-party provider in multiple language) or (3) online/the Internet. An alert for each Helpline notice goes directly to the Chief Compliance Officer and the General Counsel. Promptly after receiving a Helpline report, the Chief Compliance Officer, in consultation as appropriate with the General Counsel, determines the steps to be taken. If an investigation is appropriate, the investigation will be conducted using the procedure outlined in the Incident Reporting and Investigation Procedures (the “Procedures”). The Procedures provide guidelines for each step of the reporting and investigation process, including classification of the issue(s); assignment of a case number; selection of the investigation team; hiring of external resources; notification, investigation timing, reporting and investigation report content; and corrective actions. Helpline activity is monitored by and regularly reported to the Audit & Finance Committee of the Board of Directors.

### *Related Person Transaction Policy*

The Board of Directors has adopted a written Related Person Transaction Policy (the “RPT Policy”) that governs the review, approval or ratification of covered related person transactions. The Audit & Finance Committee of the Board of Directors manages the RPT Policy. The RPT Policy generally provides that we may enter into a related person transaction only if the Audit & Finance Committee or the disinterested members of the Board of Directors approves or ratifies

such transaction in accordance with the guidelines set forth in the RPT Policy; if the transaction is in, or not inconsistent with, the best interests of Albemarle and its shareholders; and if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party; or the transaction involves compensation approved by the Executive Compensation Committee of the Board of Directors.

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

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

A "related person" is (i) any person who is, or at any time since the beginning of our last fiscal year was, a director or executive officer of Albemarle or a nominee to become a director; (ii) any person who is known to be the beneficial owner of more than 5% of any class of our voting securities; (iii) any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the director, executive officer, nominee or more than 5% beneficial owner and any person (other than a tenant or employee) sharing the household

of such director, executive officer, nominee or more than 5% beneficial owner; or (iv) any firm, Albemarle or other entity in which any of the foregoing persons is employed or is a general partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest.

The Audit & Finance Committee was not presented with, and Albemarle did not participate in, any related person transactions in 2015.

### *Corporate Governance Guidelines*

The Board of Directors has adopted the Albemarle Corporation Corporate Governance Guidelines (the “Guidelines”), which provide for the review by the Nomination & Governance Committee (and approval by the Board of Directors) of any requests by the CEO to serve as a director on another public company’s board. In no event shall the CEO serve on more than three public company boards of directors including serving as a director of Albemarle. The Nominating & Governance Committee must be notified of the intention of directors, the CEO and other executive officers to serve on another public company board of directors, following which the Nominating & Governance Committee must review the possibility for conflicts of interest and time constraints and the Board will approve the request to serve on another public company board of directors. The Guidelines also provide that no director of Albemarle may serve as a director of more than four other public companies, and any Albemarle director who is employed as chief executive officer of a publicly traded company may not serve as a director of more than three other public companies (including serving as a director of Albemarle and on his or her own board of the company and on his or her own board of directors). The Guidelines provide that 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 Guidelines state that a member of the Audit & Finance Committee should serve on no more than three public company audit committees unless the Board has determined that such simultaneous service will not impair such member’s ability to effectively serve on such committee. The Guidelines also require each director to notify the Chair of the Nominating & Governance Committee of any conflicts or potential conflicts of interest.

### *Compliance Council*

A further mechanism is the Compliance Council (the “Council”). The Council supports, consults with and advises the Chief Compliance Officer in the implementation, monitoring and

administration of an effective ethics and compliance program. Comprised of cross-functional representatives from Compliance, Legal, Human Resources, HSE, Finance, Audit, Business, Sales and Manufacturing, the Council's purpose is to support Albemarle values of integrity, communication and teamwork by promoting a common approach to ethics and compliance. The Council maintains an open dialogue with the business functions and promotes cross-functional partnering and communication to ensure that our compliance goals are implemented and interpreted consistently throughout Albemarle. The Chief Compliance Officer periodically reports to the Audit & Finance Committee of the Board of Directors on the activities of the Council.

### *Other Mechanisms*

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



## DISCLOSURE OF MANAGEMENT APPROACH (DMA) - ECONOMIC

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



Scott Tozier, Executive Vice President & Chief Financial Officer

## G4-EC1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

### CONSOLIDATED BALANCE SHEET

(In Thousands)	
December 31,	2015
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 213,734
Trade accounts receivable, less allowance for doubtful accounts	552,828
Other accounts receivable	79,877
Inventories	508,728
Assets held for sale	404,485
Other current assets	71,351
Total current assets	1,831,003
Property, plant and equipment, at cost	3,881,162
Less accumulated depreciation and amortization	1,396,424
Net property, plant and equipment	2,484,738
Investments	455,417
Other assets	216,998
Goodwill	2,893,811
Other intangibles, net of amortization	1,733,047
Total assets	\$ 9,615,014
Liabilities and Equity	
Current liabilities:	
Accounts payable	\$ 306,517
Accrued expenses	402,379
Current portion of long-term debt	677,345
Dividends payable	32,306
Liabilities held for sale	128,706
Income taxes payable	69,432
Total current liabilities	1,616,685
Long-term debt	3,174,674
Post retirement benefits	49,647
Pension benefits	381,552
Other non-current liabilities	254,826
Deferred income taxes	736,317
Commitments and contingencies	
<b>Equity:</b>	
Albemarle Corporation shareholders' equity:	

Common stock, \$.01 par value	1,122
Additional paid-in capital	2,059,151
Accumulated other comprehensive income (loss)	(421,288)
Retained earnings	1,615,407
Total Albemarle Corporation shareholders' equity	3,254,392
Non controlling interests	146,921
Total equity	3,401,313
Total liabilities and equity	\$ 9,615,014

The accompanying notes to the consolidated financial statements, can be found in our Annual report on Form 10-K for the fiscal year ended December 2015, filed with the U.S. Securities and Exchange Commission on February 29, 2016; this report may be found via <http://investors.albemarle.com/phoenix.zhtml?c=117031&p=irol-reportsannual>

## **G4-EC2 FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES DUE TO CLIMATE CHANGE**

Growing concerns about climate change may result in the imposition of additional regulations or restrictions to which we may become subject. Climate changes include changes in rainfall and in storm patterns and intensities, water shortages, significantly changing sea levels and increasing atmospheric and water temperatures, among others. For example, there has been increasing concern regarding the declining water level of the Dead Sea, from which JBC (our joint venture in Jordan), produces bromine. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to climate change. For example, some of our operations are within jurisdictions that have (or are developing) regulatory regimes governing greenhouse gas (GHG) emissions. Potentially, additional U.S. federal regulation will be forthcoming with respect to GHG emissions (including carbon dioxide) and/or “cap and trade” legislation that could have impacts on our operations. In addition, we have operations in the European Union, Brazil, China, Japan, Jordan, Saudi Arabia, Singapore and the United Arab Emirates, which have implemented measures to achieve objectives under the Kyoto Protocol, an international agreement linked to the United Nations Framework Convention on Climate Change (“UNFCC”), which set binding targets for reducing GHG emissions. The first commitment period under the Kyoto Protocol expired in 2012. An amendment was passed by the UNFCC during the December 2012 Doha climate change talks that would implement a second

commitment period through 2020, but the Doha amendment has not entered into legal force pending acceptance by a minimum of 144 participating countries. (as of July 2016, only 66 states had accepted the Doha amendment).

In December 2015, the 21st Conference of Parties for the UNFCCC concluded with more than 190 countries adopting the Paris Agreement, a partly binding and partly voluntary agreement to cut global carbon emissions in an effort to limit the rise in global temperatures. The Paris Agreement entered into force on November 4, 2016, after the minimum number of countries, accounting in total for at least an estimated 55% of the total global GHG emissions, had deposited their instruments of ratification, acceptance, approval or accession. As of January 31, 2017, 127 parties had ratified the Paris Agreement.

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

## **G4-EC3 COVERAGE OF THE ORGANIZATION'S DEFINED BENEFIT PLAN OBLIGATIONS**

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

# ECONOMIC

In thousands unless otherwise noted

	Year Ended December 31, 2015			Year Ended December 31, 2014		
	U.S. Plans	Foreign Plans	Aggregate	U.S. Plans	Foreign Plans	Aggregate
<b><u>Change in benefit obligations:</u></b>						
Benefit obligation at January 1	\$ 729,652	\$ 53,112	\$ 782,764	\$ 629,337	\$ 49,245	\$ 678,582
Service cost	1,233	6,034	7,267	7,029	1,746	8,775
Interest cost	31,231	9,875	41,106	30,491	1,571	32,062
Plan amendments	0	870	870	0	0	0
Actuarial (gain) loss	(55,851)	(42,977)	(98,828)	130,887	10,341	141,228
Benefits paid	(38,300)	(16,118)	(54,418)	(37,866)	(3,913)	(41,779)
Acquisitions	39,125	416,150	455,275	0	0	0
Divestitures	0	0	0	(30,226)	0	(30,226)
Reclass to assets held for sale	0	(26,608)	(26,608)	0	0	0
Employee contributions	0	478	478	0	283	283
Foreign exchange loss (gain)	0	(26,708)	(26,708)	0	(6,161)	(6,161)
Settlements/curtailments	0	(582)	(582)	0	0	0
Other	0	331	331	0	0	0
Benefit obligation at December 31	\$ 707,090	\$ 373,857	\$ 1,080,947	\$ 729,652	\$ 53,112	\$ 782,764

	Year Ended December 31, 2015			Year Ended December 31, 2014		
	U.S. Plans	Foreign Plans	Aggregate	U.S. Plans	Foreign Plans	Aggregate
<b><u>Change in plan assets:</u></b>						
Fair value of plan assets at January 1	\$ 598,250	\$ 9,444	\$ 607,694	\$ 605,604	10,941	616,545
Actual return on plan assets	(16,789)	140	(16,649)	53,696	499	54,195
Employer contributions	1,606	16,392	17,998	7,042	2,940	9,982
Benefits paid	(38,300)	(16,118)	(54,418)	(37,866)	(3,913)	(41,779)
Acquisitions	29,314	109,875	139,189	0	0	0
Divestitures	0	0	0	(30,226)	0	(30,226)
Employee contributions	0	478	478	0	283	283
Foreign exchange gain (loss)	0	(3,237)	(3,237)	0	(1,306)	(1,306)
Settlements/curtailments	0	(582)	(582)	0	0	0
Other	0	314	314	0	0	0
Fair value of plan assets at December 31	\$ 574,081	\$ 116,706	\$ 690,787	\$ 598,250	\$ 9,444	\$ 607,694
Funded status at December 31	\$ (133,009)	\$ (257,151)	\$ (390,160)	\$ (131,402)	\$ (43,668)	\$ (175,070)
Actual return on plan assets %	(2.81)%	1.48 %	(2.74)%	8.87 %	4.56 %	8.79 %

	December 31, 2015			December 31, 2014		
	U.S. Plans	Foreign Plans	Aggregate	U.S. Plans	Foreign Plans	Aggregate
<b><u>Amounts recognized in consolidated balance sheets:</u></b>						
Current liabilities (accrued expenses)	\$ (1,110)	\$ (7,498)	\$ (8,608)	\$ (3,219)	\$ (1,316)	\$ (4,535)
Non-current liabilities (pension benefits)	(131,899)	(249,653)	(381,552)	(128,183)	(42,352)	(170,535)
Net pension liability	\$ (133,009)	\$ (257,151)	\$ (390,160)	\$ (131,402)	\$ (43,668)	\$ (175,070)
<b><u>Amounts recognized in accumulated other comprehensive income:</u></b>						
Prior service benefit	\$ (211)	\$ (1,052)	\$ (1,263)	\$ (286)	\$ (321)	\$ (607)
<b><u>Weighted-average assumptions used to determine benefit obligations at December 31:</u></b>						
Discount rate	4.67 %	2.89 %	4.03 %	4.19 %	1.85 %	4.03 %
Rate of compensation increase	—%	3.17 %	3.17 %	—%	3.40 %	3.40 %

## G4-EC4 SIGNIFICANT FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

Program- /Project name	Funding received from	Funding for Albemarle
WBSO (tax incentive for R&D hours)	Netherlands Government	\$585,256
RDA (tax incentive for R&D investments)	Netherlands Government	\$281,089

Exchange rate: 1 Euro = \$1.10892 (August 5, 2016)

## G4-EC5 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
<b>Americas- USA</b>				
Arkansas	Magnolia Plants	\$17.52/hour	\$7.50/hour	2.34 : 1
California	La Mirada	\$22.59/hour	\$9.00/hour	2.51 : 1
Louisiana	Baton Rouge Tower	\$21.92/hour	\$7.25/hour	3.02 : 1
Louisiana	PDC- Baton Rouge Process Development Center	\$21.23/hour	\$7.25/hour	2.93 : 1
Michigan	Jackson	\$15.87/hour	\$8.15/hour	1.95 : 1
Michigan	South Haven Plant	\$18/hour	\$8.15/hour	2.21 : 1
Nevada	Silver Peak	\$16.1/hour	\$8.25/hour	1.95 : 1
New Jersey	New Providence	\$15.41/hour	\$8.38/hour	1.84 : 1
North Carolina	Kings Mountain	\$18.32/hour	\$7.25/hour	2.53 : 1
Pennsylvania	Tyrone Plant	\$19.16/hour	\$7.25/hour	2.64 : 1
Tennessee	New Johnsonville	\$22.09/hour	\$7.25/hour	3.05 : 1
Texas	Bayport Plant	\$23/hour	7.25/hour	3.17 : 1
Texas	Clear Lake Office	\$19.29/hour	\$7.25/hour	2.66 : 1
Texas	Pasadena Plant	\$20.68/hour	\$7.25/hour	2.85 : 1
<b>Europe, Middle East and Africa</b>				
Amsterdam, Netherlands	Amsterdam	€2,210 /mo	€1,507.80/mo	1.46:1
Bergheim Germany	Bergheim	€2,719/mo	€16.67/hr	1.42:1
Chemetail, Germany	Frankfurt am Main	€2,432/mo	€1,385.50/ mo	1,75:1
Rockwood Lithium, Germany	Langelsheim	€2,410/mo	€1,386,60/mo	1.73:1



Budapest Hungary	Budapest	243,340 HUF/mo	122,000 HUF/mo	1.92:1
JBC (Jordan Bromine Company Ltd., 50% joint venture)	Jordan	jd 2.07/hr	jd 0.79 / hr	2.62:1
Louvain-la-Neuve Belgium	LLN	€2,581.57/mo	€1,501.82/mo	1.72:1
<b>Asia Pacific</b>				
Beijing China	Beijing	14,244 CNY/mo	1,720 CNY/mo	8.28:1
Dalian China	Dalian	3,350 CNY/mo	1,300 CNY/mo	2.58:1
Shanghai China	Shanghai	6,000 CNY/mo	2,020 CNY/mo	3.67:1
Ninghai China	Ningbo	1,950 CNY/mo	1,350 CNY/mo	1.44:1
Yeosu South Korea	South Korea	6,893 KRW/hr	5,580 KRW/hr	1.24:1
Singapore	Singapore	7,489 SGD/mo	N/A	N/A
Tokyo Japan	Japan	411,480 JPY/mo	136,050 JPY/mo	3.02:1

## G4-EC6 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. Local means: In the neighborhood of the location. 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)		
<b>Americas</b>		
Arkansas	Magnolia Plants	33%
California	La Mirada	15%
Louisiana	BRT - Baton Rouge Tower	71%
Louisiana	PDC- Baton Rouge Process Development Center	50%

Michigan	Jackson	75%
Michigan	South Haven Plant	36 %
Nevada	Silver Peak	50 %
New Jersey	New Providence	15%
North Carolina	Kings Mountain	18 %
Pennsylvania	Tyrone Plant	45 %
Tennessee	New Johnsonville	50 %
Texas	Bayport Plant	55 %
Texas	Clear Lake Office	20%
Texas	Pasadena Plant	0%
<b>Europe, Middle East and Africa</b>		
Amsterdam the Netherlands	Amsterdam	89%
Bergheim Germany	Bergheim	83%
Chemetall, Germany	Frankfurt am Main	95%
Rockwood Lithium, Germany	Langelsheim	95%
Budapest Hungary	Budapest	100%
JBC (Jordan Bromine Company Ltd. , 50% joint venture)	Jordan	100%
Louvain-la-Neuve Belgium	LLN	95%
<b>Asia Pacific</b>		
Beijing, China	Beijing	100%
Dalian, China	Dalian	100%
Shanghai, China	Shanghai	100%
Ninghai, China	Ningbo	100%
Yeosu, South Korea	South Korea	0%
Singapore	Singapore	100%
Tokyo, Japan	Japan	100%

## G4-EC7 DEVELOPMENT AND IMPACT OF INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED

The Albemarle Foundation® (a U.S. 501(c)(3) (charitable, tax-exempt) entity formed in 2007), which serves as the primary source and mechanism for our philanthropic giving, focuses on

philanthropic efforts through monetary donations and volunteer efforts in the communities in which we live and operate. The local foundation councils at each site strive to make their communities stronger with an emphasis on the areas of education, health, social services and cultural initiatives. In 2015, the Albemarle Foundation distributed over \$3.6 million to deserving agencies, of which \$524,000 came from current and retired Albemarle employees and the Board of Directors. Since its 2007 inception, the Albemarle Foundation® has donated over \$25 million dollars into our communities, by giving to more than 200 agencies in locations where our employees live and operate. Our commitment to “Grow the Good” in our communities takes center stage in the programs offered by the Albemarle Foundation. The Albemarle Foundation has been launched at all of our U.S. sites and is currently being introduced to our locations outside of the U.S. through our efforts around International Disaster Relief, thus keeping our employees engaged both domestically and internationally. The Albemarle Foundation’s major components include:

- **Foundation Grant Program-** provides direct funding to local U.S. charitable (501(c)(3)) organizations engaged in at least one of these areas: education, social and health services and cultural resources. The Albemarle Foundation board and local site councils approve all grants.
- **Matching Gift Program-** gives all eligible employees and retirees the opportunity to further support charitable organizations by matching individual donations on a one-to-one basis, up to specified maximum limits and certain qualifications.
- **Employee Volunteer Program-** encourages volunteerism and recognizes the outstanding leadership and volunteer efforts of Albemarle employees and retirees by special grants.
- **Albemarle Gottwald Scholarship Program-** awards independent scholarships to Albemarle employee dependents. One Gottwald scholar is identified annually and granted \$5,000 per year. Additional \$2,500 per year scholarships are also granted.
- **Albemarle Foundation Annual Community Campaign-** supports local non-profit organizations in the areas of education, health and social services, and cultural initiatives. This employee-managed annual campaign collects employee and retiree pledges by payroll deduction or one-time payment, with the Albemarle Foundation handling distribution. Each year, Albemarle employees help select the following year's member agencies.

More information on our foundation and charitable efforts can be found at <http://www.albemarle.com/sustainability/albemarle-foundation-42.html>.

## DISCLOSURE OF MANAGEMENT APPROACH (DMA) - ENVIRONMENTAL

Every human activity leaves a mark on the earth, showing history that humans have been here. A marks may be positive or negative, rarely neutral. It is Albemarle's goal and utmost desire to always be a positive influence in everything that we do. This is perhaps most visible in our legacy in the environment.

From the inception of a process, we work hard to optimize material and energy usage and minimize waste and emissions. Our (internal) Technology Enabled Active Learning (TEAL) program recognizes our innovators who incorporate the fundamental 'green chemistry' principles into their work.

For ongoing operations, we assess risks and usage of water and energy and implement improvements whether they be minor process changes or significant capital projects.

We are proud member of the American Chemistry Council and active participants in Responsible Care. Through its rigorous discipline, our Corporate RC14001 certification challenges us to identify key environmental aspects, set goals and track progress on achieving those goals.



The environment is complex as are the regulations under which we operate globally. We continue to strive to not only meet regulatory requirements but exceed them through our various sustainability initiatives. These are perhaps no better captured than through our wildlife

habitats. These wildlife habitats show us how fragile the ecosystems are and how we, as good stewards, can nourish them and help them to thrive.



Niomi Krzystowczyk – Vice President Health, Safety and Environment

## **G4-EN3 ENERGY CONSUMPTION WITHIN THE ORGANIZATION**

Albemarle's consumption of energy in 2015 was 15.53 million MMBTU's (with an MMBTU equal to one million BTUs, or British Thermal Units) from manufacturing facilities. The energy impact of distribution of products and waste has not been assessed and is not included. Energy use at Albemarle non-manufacturing facilities (i.e., business offices) is small when compared to manufacturing facilities and is not included in the above. All direct primary energy used by Albemarle as defined by this indicator is classified as non-renewable. 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.

## **G4-EN8 TOTAL WATER WITHDRAWAL BY SOURCE**

Albemarle's water consumption totaled 10.93 million cubic meters in 2015, compared to 17.4 million cubic meters in 2014 and 19.7 million cubic meters in 2013 (reflecting a consistent downward trend).

## **G4-EN9 WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER**

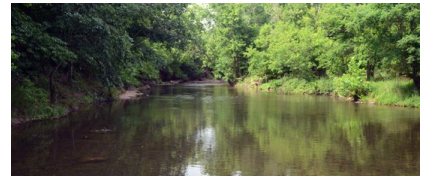
There are no known significant negative impacts to water sources or related habitats resulting from Albemarle's withdrawal of water.

## **G4-EN11 OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS**



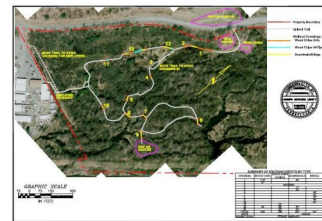
Bergheim, Germany: The water outfall from the facility flows to the river Erft.

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



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

Tyrone, Pennsylvania, USA: Approximately 10 acres of the site are wetlands and the facility borders Cook Creek. The site also has been a Wildlife Habitat Council certified Corporate Wildlife Habitat since 2008. In addition, the Albemarle Nature Trail (a 3/4-mile loop through a 50-acre section of deciduous forest, open meadow and wetlands formed by a beaver dam on Cook Hollow Creek, which nature trail and wildlife habitat is home to a wide variety of animal and plant species) is open to the public, and future plans include an observation deck, educational amphitheater for school groups and informational kiosks along the trail.



Amsterdam, Netherlands: The facility is adjacent to the city park forest "Het Vliegenbos" and the river IJ. "Natura 2000 areas" in the site's vicinity: (i.e., part of a European network of protected nature areas where certain species of animal and their natural habitats are protected in order to preserve biodiversity, with over 160 in the Netherlands alone as of 2016) include "IJmeer en Markermeer" (land and marshland).



Other facilities include:

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

## **G4-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 G4-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, a U.S. based organization that promotes and certifies habitat conservation and management on corporate lands through partnerships and education) 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. This prestigious designation recognizes the learning opportunities created by our commitment to environmental conservation and increasing native biodiversity across Magnolia’s 100-acre tract of reforested land and 70-acre artificially created marsh, and promotes using “Wildlife at Work” certified land for hands-on environmental education by school and community groups. The Tyrone, Pennsylvania, USA facility achieved a Wildlife Habitat Council certification for their wooded uplands project. In addition, in 2008 our Orangeburg, South Carolina plant site was among Wildlife Habitat Council honorees. All these Wildlife Habitat Council properties are maintained for natural habitat and educational purposes.

In 2013, the Wildlife Habitat Enhancement Project at Albemarle's Process Development Center (PDC) in Baton Rouge, Louisiana achieved Wildlife at Work certification for the first time, making

it the fourth Albemarle location to attain this designation. The newly created habitat at the PDC provides space for native pond cypress trees along a lake shoreline located adjacent to the site, as well as native wildflowers and grasses.

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

## **G4-EN15/G4-EN16 DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1) / ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)**

Albemarle collects data on direct and indirect primary fuel consumption at manufacturing facilities for the purpose of determining greenhouse gas (GHG) generation. In addition, data is also collected at our processing facilities on direct GHG generation from sources other than combustion of fuels. Factors for conversion of energy quantities to equivalent CO<sub>2</sub> are derived from data published by the American Chemistry Council. Generation efficiencies used for this calculation are derived from U.S. Department of Energy and American Chemistry Council data. The GHG impact of distribution of products and waste has not been assessed and is not included. The total direct and indirect greenhouse gas emissions for Albemarle in 2015 were 933 thousand metric tons, compared with 909 thousand metric tons in 2014.

## **G4-EN24 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 2015. A total of 21 minor leaks occurred in 2015, none of which constituted Level 3 events.

## G4-EN27 EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCT AND SERVICES

Albemarle (together with other producers) has implemented a unique product stewardship program for its flame retardants. VECAP™ (Voluntary Emissions Control Action Program) is an innovative and excellence-driven way of doing business, based on ISO 14001 principles. It demonstrates the commitment of the industries involved to act in the interest of society and the environment while enhancing the competitiveness of local industries. It offers all companies - small, medium and large - equal access to the industry's expertise in environmental best practices as well as procedures that drive continuous improvement and allow benchmarking for other industries to apply similar principles. VECAP™ uses basic tools to help users of chemicals understand where material is used and intentionally or unintentionally discarded. The VECAP™ process is focused on measuring and reducing emissions during use, is fundamentally a continuous improvement system, and is designed to be cost-effective and simple to implement.

Over the last eight years, Albemarle has conducted VECAP™ surveys at our Brominated Flame Retardant customers in China, Europe, Japan, Korea and North America. Approximately 90% of the volume sold in those regions or countries in 2015 was covered with surveys.



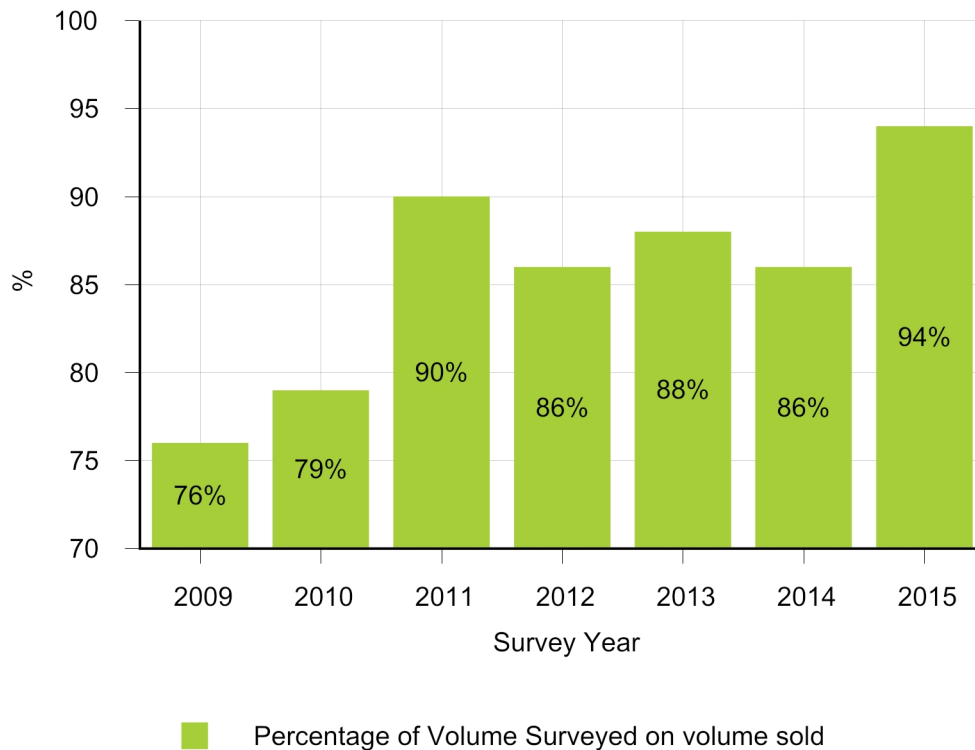
Potential emissions to air, water and land were estimated, and recommendations were provided for the implementation of the best available techniques, which allow for reduction of these potential emissions. The main area of emission concerns that we learned of through the surveys is the disposal of packaging waste. If incineration or chemically controlled landfill is not the method of disposal, the residues in the packaging are likely to end up in the environment. During the 2008 survey, roughly 1,800 g/ton of potential land emissions from residue in packaging waste was identified by numerous users. The graph below of the 2010 through 2015 survey results worldwide show that the potential emissions [to land] have decreased significantly since 2011. We anticipate continued improvements and reductions in potential emissions [to land] from newly participating

users once recommendations and best practices have been implemented. We expect that future surveys will capture these anticipated results.

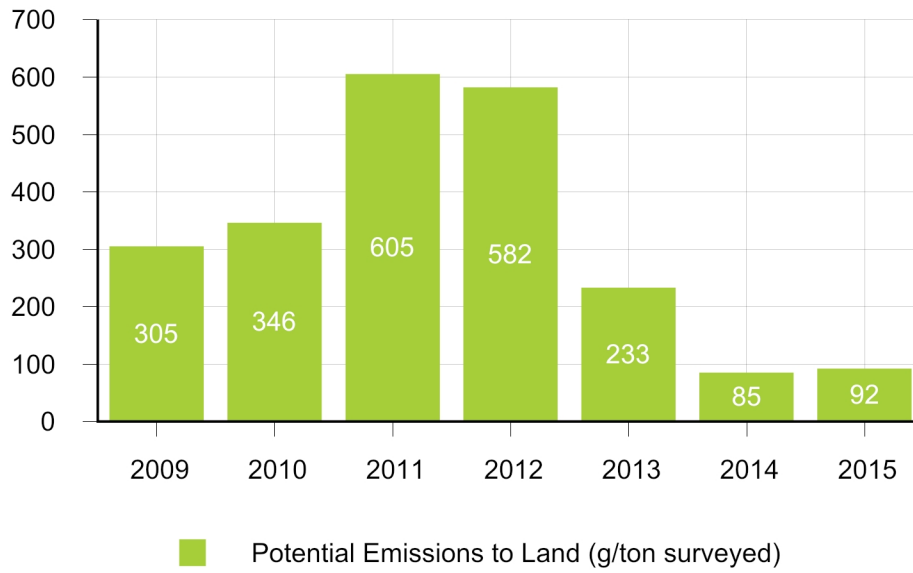
Albemarle's main bromine manufacturing site in Magnolia, Arkansas, USA was VECAP™ certified by third party Bureau Veritas in 2009 (and re-certified in February 2015). Our manufacturing plant in Safi, Jordan and our Process Development Center in Baton Rouge, Louisiana, USA also received VECAP™ certification in February 2014 and January 2015, respectively.

More information can be found via <http://www.vecap.info/>.

## 2009 - 2015 VECAP Surveys Worldwide Volume Coverage



**2009 - 2015 VECAP Survey Results Worldwide**  
Data acquired on 76 to 94% of the total volume sold



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

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

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

We also believe in investing in the whole person and providing support and resources so that individuals can operate at their best at work, at home and in their communities. We provide comprehensive health and welfare benefits and support healthy lifestyles through our global network of employee Wellness Ambassadors.

Furthermore, in partnership with The Energy Project, we work to teach each employee the importance of physical, emotional, mental and spiritual renewal with the goal of ensuring that the employee is able to operate at high levels of performance now and into the future.



We endeavor to abide by all applicable employment laws regarding employment decisions, including recruitment, hiring, placement, promotion, reassignment, compensation, training, discipline and dismissal. We work to make reasonable accommodations as required by

applicable law for individuals with handicaps or disabilities. It is our policy to comply faithfully with the applicable immigration laws and regulations. We also endeavor to abide by applicable labor laws at all global facilities.



Susan Shepherd, Vice President, Human Resources

## G4-LA1 TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER, AND REGION

For 2015:

Category	Average Headcount	Total Terminations	% Turnover
<b>By Gender</b>			
Male	3,707	363	9.8%
Female	883	208	23.6%
<b>By Age( U.S. only)</b>			
Age < 30	282	143	50.7%
Age 30-50	1,035	117	11.3%
Age > 50	848	190	22.4%
<b>By Region</b>			
Americas	2,164	450	20.8%
Europe + JBC (Jordan JV)	2,426	121	5.0%
Overall	4,590	571	12.4%



# LABOR PRACTICES

## G4-LA2 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 Full-Time Employees
<b>Americas</b>		
Baton Rouge, Louisiana	Baton Rouge Tower	Medical Insurance Dental Insurance Disability Insurance Life Insurance (Basic and Supplemental) Personal Accident Insurance (Basic and Supplemental) Blanket Travel Accident Insurance Health Care and Dependent Care Spending Accounts Health Savings Account Executive Long Term Disability Retirement/Savings Plan Educational Reimbursement Plan Matching Gifts to Education and Charitable Organizations Seat Belt Coverage and Accidental Insurance
Baton Rouge, Louisiana	Process Development Center	
Houston, Texas	Bayport	
Houston Texas	Pasadena	
Magnolia Arkansas	Magnolia	
Orangeburg South Carolina	Orangeburg	
South Haven Michigan	South Haven	
Twinsburg Ohio	Twinsburg	
Tyrone Pennsylvania	Tyrone	
<b>Europe, Middle East and Africa</b>		
Amsterdam, Netherlands	Amsterdam	Benefits mentioned are also for part-time personnel: Pension Survivor pension and insurance (ANW-hiaat) Disability pension and insurance (WIA hiaat) Medical check-up (PMO) every 3 year Blanket Travel Accident Insurance
Bergheim, Germany	Bergheim	Health insurance Unemployment insurance Pension benefits Nursing benefits Blanket Travel Accident Insurance
Rockwood Lithium, Germany	Frankfurt am Main; Langelsheim	Benefits mentioned are also for part-time and temporary personnel: Health insurance Unemployment insurance Pension benefits Nursing benefits Blanket Travel Accident Insurance Accident Insurance

# LABOR PRACTICES

Chemetall, Germany	Frankfurt am Main; Langelsheim	Benefits mentioned are also for part-time and temporary personnel: Health insurance Unemployment insurance Pension benefits Nursing benefits Blanket Travel Accident Insurance Accident Insurance
Budapest, Hungary	Budapest	Health Insurance Pension Weekend Home Travel and Daily Commuting Meal Voucher Monthly Public Transport Pass Private Wellness/Health Fund Voluntary Private Pension Fund Medicover
Louvain-la-Neuve, Belgium	LLN	Health insurance Extra legal Pension plan Death and Disability insurance Luncheon vouchers Transportation allowances and company car if GL >= 11 or sales person Repatriation insurance for high frequency traveler Blanket Travel Accident Insurance
<b>Asia Pacific</b>		
Beijing, China	Beijing	Statutory government benefits Supplemental medical insurance Annual Health Check-up Blanket Travel Accident Insurance Welfare
Shanghai, China	Shanghai	
Dalian, China	Dalian	
Guangzhou, China	Guangzhou	
Jinhsan, China	Shanghai	Statutory government benefits Supplemental medical insurance Annual Health Check-up Blanket Travel Accident Insurance Welfare
Ninghai, China	Ningbo	
Seoul, South Korea	Seoul	Blanket Travel Accident Insurance Supplemental group insurance Congratulations & Condolences benefit Children tuition support Employee medical check-up
Yeosu, South Korea	Yeosu	Blanket Travel Accident Insurance Supplemental group insurance Congratulations & Condolences benefit Children tuition support Employee medical check-up
Singapore	Singapore	Supplemental group insurance Blanket Travel Accident Insurance
Tokyo, Japan	Tokyo	Blanket Travel Accident Insurance

# LABOR PRACTICES

## G4-LA4 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS

Significant Location(s)	Name(s)	Minimum Notice Periods for Operational Changes
<b>Americas</b>		
Baton Rouge, Louisiana	Process Development Center	60 days 'notice to reopen contract
Baton Rouge, Louisiana	Baton Rouge Tower	No minimum notice period applicable
Houston, Texas	Bayport	No minimum notice period applicable
Houston, Texas	Pasadena	30 days notice and meet with Union to change schedule/ reduce operating schedules (60 days prior to contract end to terminate contract)
Magnolia, Arkansas	Magnolia	No minimum notice period applicable
South Haven, Michigan	South Haven	None
Twinsburg, Ohio	Twinsburg	None
Tyrone, Pennsylvania	Tyrone	None
<b>Europe, Middle East and Africa</b>		
Amsterdam, Netherlands	Amsterdam	1 month up to grade 8; 3 months from grade 9
Bergheim, Germany	Bergheim	Depending on age and seniority based on collective chemical CLA and law
Chemetall, Germany	Frankfurt am Main; Langelsheim	4 weeks
Rockwood Lithium, Germany	Frankfurt an Main; Langelsheim	2 weeks
Budapest, Hungary	Budapest	30 days
Louvain-la-Neuve, Belgium	LLN	3-6 months

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

## G4-LA5 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

Germany requires that there be a Safety Council (Arbeitsschutzausschuss -ASA) for the German sites, which at meets at least four times a year. Representatives of the workforce in this Safety Council are members of the works council (Betriebsrat) and the Speaker of the safety advocates (Sicherheits-beauftragte). The ASA Safety Council represents the total workforce on the German sites.

At the Amsterdam site, two special Works Council Commissions (Safety, Health & Environment Commission and Personnel Commission, respectively) meet with management to discuss the

Safety, Health, Environment and Wellbeing on a monthly basis. These commissions represent the total workforce on the site.

## G4-LA6 TYPE OF INJURY AND RATES, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES BY REGION

Albemarle global - injury metrics

	2015	2014	2013
Injury rate	0.57	0.33	0.56
Occupational diseases	0	0	0
Lost days	551	175	535
Absenteeism	No data	No data	No data
Work-related fatalities	0	0	0
Contractor rates	0.72	0.54	0.51

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

## G4-LA7 WORKERS WITH HIGH RISK INCIDENCE OR HIGH RISK OF DISEASES RELATED TO THEIR OCCUPATION

Albemarle provides training, counseling, prevention, risk-control programs and training for handling of diseases. These programs vary by region.

Albemarle does not have a high incidence or risk of specific occupational diseases.

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

# LABOR PRACTICES

## G4-LA9 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY

Significant Location(s)	Name(s)	Average Hours of Training/Year
<b>Americas</b>		
Baton Rouge, Louisiana	Baton Rouge Tower	832 hours
Baton Rouge, Louisiana	Process Development Center	1641 hours
La Miranda, California	La Miranda	0 hours
Houston, Texas	Bayport	1704 hours
Houston, Texas	Pasadena	1011 hours
Houston, Texas	Clearlake Office	147 hours
Jackson, Michigan	Jackson	23 hours
Kings Mountain North Carolina	Kings Mountain	35 hours
Magnolia Arkansas	Magnolia South Plant	1791 hours
Magnolia Arkansas	Magnolia West Plant	52 hours
New Johnsonville, Tennessee	New Johnsonville	0 hours
New Providence, New Jersey	New Providence	0 hours
Silver Peak, Nevada	Silver Peak	0 hours
South Haven, Michigan	South Haven	40 hours
Tyrone, Pennsylvania	Tyrone	248 hours
<b>Europe, Middle East and Africa</b>		
Amsterdam, Netherlands	Amsterdam	20 hours
Bergheim, Germany	Bergheim	20 hours
Budapest, Hungary	Budapest	10 hours
Frankfurt am Main, Germany	Chemetall Germany	32 hours
Germany	Rockwood Lithium Germany	32 hours
Jordan	JBC (Jordan Bromine Company Ltd., 50% joint venture)	40 hours
Louvain-la-Neuve, Belgium	LLN	14 hours

Asia Pacific		
Beijing, China	Beijing	20 hours
Shanghai, China	Shanghai	20 hours
Dalian, China	Dalian	26 hours
Ninghai, China	Ningbo	25 hours
Yeosu, South Korea	Yeosu	20 hours
Tokyo, Japan	Tokyo	15 hours

## G4-LA10 PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT 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

# LABOR PRACTICES

- Development plan for retirement (if applicable)
- Individually focused training, counseling and follow-up

## G4-LA11 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND OUR EMPLOYEE CATEGORY

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

## G4-LA13 RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION

2015 – Americas Region Only

	Total	Male Count	Male Avg Wage	Female Count	Female Avg Wage	Ratio Avg Wage
Ethnic - Asian	88	65	\$54.17/hr	23	\$44.29/hr	1.22 : 1
Ethnic - Black or African American	149	104	\$37.59/hr	45	\$33.35/hr	1.13 : 1
Ethnic - Hispanic or Latino	122	92	\$41.69/hr	30	\$39.06/hr	1.07 : 1
Ethnic - White	1755	1459	\$44.34/hr	296	\$43.52/hr	1.02 : 1
Ethnic - Other Categories	359	289	\$42.79/hr	70	\$31.33/hr	1.37 : 1



## DISCLOSURE OF MANAGEMENT APPROACH (DMA) - HUMAN RIGHTS

### *People and Development*

We recognize that our 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 Albemarle locations. We firmly believe that to improve the future, we must learn from the past. Cross-communication between our facilities, sharing experiences and lessons learned and establishing best practices are critical to improving our performance and empowering our employees to make good choices for us and the communities in which we serve.



Susan Shepherd, Vice President, Human Resources

## **G4-HR2 TOTAL HOURS OF EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS, INCLUDING THE PERCENTAGE OF EMPLOYEES TRAINED**

The vast majority (95%) of our global employees were provided with one hour of employee training on the Code of Conduct (including human rights). This is a mandatory annual update for all employees; and over half (57%) of our global employees performed the training by GPS (on-line training services). New employees receive Code of Conduct training as part of their introduction program. In addition, all U.S. employees receive two hours of employee training on harassment and Code of Conduct (including human rights); all Asia Pacific employees are trained on the Foreign Corrupt Practices Act (FCPA); and all of our Seoul, South Korea employees receive one hour of training as to prevention of sexual harassment at work.

## **G4-HR3 TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN**

At the Process Development Center, Baton Rouge, Louisiana, USA, there were two reported incidents. In 2015 After an investigation, no discrimination was found to have occurred.

## **G4-HR4 OPERATIONS AND SUPPLIERS IDENTIFIED IN WHICH THE RIGHT TO EXERCISE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE VIOLATED OR AT SIGNIFICANT RISK, AND MEASURES TAKEN TO SUPPORT THESE RIGHTS**

As of February 1, 2016, we had 6,963 employees of whom 2,990 (or 43%) were employed in the U.S. and Latin America; 2,740 (or 39%) were employed in Europe; 894 (or 13%) were employed in Asia and 339 (or 5%) were employed in the Middle East.

**United States:** Approximately 14% of our U.S. employees were unionized in 2015. We have collective bargaining agreements at two of our U.S. locations:

- Baton Rouge, Louisiana-: United Steel Workers (USW);
- Pasadena, Texas-: USW; Sheet Metal Workers International Association (SMWIA); United Association of Journeymen & Apprentices of Plumbing and Pipe-fitting Industry (UAJAPPI); and International Brotherhood of Electrical Workers (IBEW).

We believe that we have good working relationships with these unions, and we have operated without a labor work stoppage at each of these locations for more than 20 years. Collective bargaining agreements expire in 2017 at our Pasadena, Texas location and in 2018 at our Baton Rouge, Louisiana location.

**Europe:** We have ~~an~~ European Works Councils representing the majority of our European employees.

In Amsterdam, Netherlands, the works council represents the employees of the site.

For the majority (~~approx.~~approximately 95%) of the employees in Amsterdam, a collective bargaining agreement was negotiated with FNV Procesindustrie and CNV Vakmensen. This agreement covers the period from January 1, 2016 to January 1, 2018.

Approximately 480 employees were covered by the works council at Martinswerk, Bergheim, Germany.

Rockwood Lithium (RWL) in Germany has works council each of its Frankfurt and Langelsheim, Germany sites. Together they built a joint works council for RWL.

As of December 31, 2015, Chemetall had works council on three German sites, Frankfurt, Langelsheim and Willstätt. Collectively, they built a joint works council for Chemetall.

Chemetall and Rockwood Lithium together build a group called the RSGG Group. Both joint works councils together built a works council for the RSGG Group.

A total of 540 employees were covered by works councils at Chemetall, Frankfurt, Langelsheim and Willstätt, as of December 31, 2015.

Approximately 650 employees were covered by works councils at Rockwood Lithium Frankfurt and Langelsheim, Germany.

As of December 31, 2015, Chemetall and RWL were members of an employer's association for the chemical industry, and were subject to the labor agreement for the chemical industry in Germany. The current labor agreement covers the period from August 1, 2016 to July 31, 2018. A meeting with the European Works Council takes place one to two times per year. We believe that we have a generally good relationship with these works councils as well as bargaining representatives.

**Middle- East:** In the Middle East at the JBC site, the unions Jordanian Engineers Association (JEA) and The General Union of Petroleum and Chemical Workers (GUPC) are operating. We have very positive relations with the JEA, including internships agreements, frequent support of major events and hosting sites visits for fresh engineers. To date, there has been no conflict with (or bargaining with) the JEA. As for the GUPC, we have two-year agreement that is renewed from period to period based on negotiations with the union. It can be time-consuming and cumbersome to reach agreement with the union, even though JBC's management has continued to collaborate with the union and employees to enhance working conditions at the site . The most recent negotiations resulted in an agreement that is effective until April 2018. The JBC site has experienced only one work stoppage (for a one-day period) over the 14 years of JBC site operations.

**Asia-Pacific:** As of December 31, 2015, the Asia Pacific region had no unionized employees.

## **G4-HR5 OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO EFFECTIVE ABOLITION OF CHILD LABOR**

Albemarle has identified no operations as having significant risk for incidents of child labor; so it has not had to take any elimination measures.

## **G4-HR6 OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR, AND MEASURES TO CONTRIBUTE TO THE ELIMINATION OF ALL FORMS OF FORCED OR COMPULSORY LABOR**

Albemarle has identified no operations as having significant risk for incidents of forced or compulsory labor, so it has not had to take any elimination measures.

## DISCLOSURE OF MANAGEMENT APPROACH (DMA) - SOCIAL SOCIETY

Our goal is for Albemarle to be the most sustainable specialty chemical company in the world. And, by sustainable, what we mean is that we are meeting the demands of our stakeholders today and also preparing to meet what will be the increased demand of those stakeholders in the future. As full participants in Responsible Care, Albemarle takes our commitment to safe, secure and environmentally sound operation very seriously. These principles do not stop at the end of the workday, or outside the workplace. Albemarle employees and contractors are asked to maintain a heightened sense of awareness of their actions on and off the job and we proactively seek to advocate this philosophy in our communities and with those with whom we interact on a daily basis.



We continue to be committed to making a positive impact in the communities in which we live and operate by advancing education, health and social services, cultural initiatives and voluntarism. In 2007, we launched the Albemarle Foundation. Since then, we have provided over \$25 million in grants to organizations that fulfill our mission around the globe (including about \$5 million in grants in 2015). In 2015 alone, we had over 14,000 hours of employee volunteer hours through the Albemarle Foundation® (up from 10,000 employee volunteer hours in 2014). That, to us, is the key of social responsibility; what our employees are engaged in, by offering a platform for active volunteerism and philanthropic giving that positively impacts the communities where we work each day and raise our families.



Luke Kissam, Chairman, President & CEO

## **G4-SO1 PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENT, AND DEVELOPMENT PROGRAMS**

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

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

In 2015, we established the Albemarle Care Fund to allow current and former employees to directly help one another. This program provides funds to assist Albemarle employees and retirees who experience financial hardship due to a natural disaster, life-threatening illness or injury, death or other catastrophic or extreme circumstance beyond the employee's control. In such a case, an employee identifies the need for action to assist a fellow employee and completes an Albemarle Care Fund application form. Once the fund raiser is approved, the local site hosts the fundraising event for the eligible employee or retiree. The Albemarle Care Fund will match the amount raised in order to double the impact. The maximum match amount is \$10,000 and the grant is made directly to the individual in need. For a natural disaster, a team is put in place to determine the need and the employees impacted. The Albemarle Care Fund then sends funds directly to impacted employees to assist with relief efforts. In order to receive funds from the Albemarle Care Fund, an individual must be regularly scheduled to work 20+ hours per week, employed by Albemarle Corporation or its affiliates for at least one year prior to the application, actively employed or on an approved leave of absence for no more than one year or a retiree who met the foregoing requirements at the time of retirement. In the case of an employee or

retiree's death, management may conduct fundraising events for the spouse or eligible dependents.

## **G4-SO3 TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION AND THE SIGNIFICANT RISKS IDENTIFIED**

In 2015, we analyzed eight locations for risks related to corruption and identified no significant risks.

## **G4-SO4 COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES**

Before the launch of Code of Conduct training (which includes an anti-corruption element), the CEO:

- Sends a strong “tone at the top” email communication about the importance of acting ethically, understanding the content of the Code of Conduct, and completing the Code of Conduct training.
- Verbally communicates this message in a “Town Hall” meeting that is broadcasted to all sites.

When providing the instructions on the mechanics of taking the training, the Chief Compliance Officer separately emphasizes the important of ethical conduct.

All employees are required to complete training with respect to our Code of Conduct (Albemarle's principal document and philosophy for the prevention of corruption). 95% of our employees worldwide completed Code of Conduct training in 2015. All Asia Pacific employees were trained on the Foreign Corrupt Practices Act (FCPA).

## **G4-SO5 CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN**

During 2015, no Albemarle employee was terminated for corruption-related behavior, and no Albemarle employee was formally disciplined for corruption-related behavior.



## G4-S06 TOTAL VALUE OF POLITICAL CONTRIBUTIONS BY COUNTRY AND RECIPIENT/BENEFICIARY

Albemarle is committed to participating constructively in the political process with the ultimate goal of advancing and protecting the best interests of Albemarle and its stockholders and employees. The political process significantly impacts Albemarle through government policies, legislation and regulatory decisions. Through our participation, we promote legislative and regulatory actions that further Albemarle's business objectives and work to protect the company from unreasonable, unnecessary or burdensome legislative or regulatory actions at all levels of government. We are fully committed to conducting our political activities in compliance with all applicable campaign finance laws and reporting requirements and in accordance with the Albemarle Political Contribution Policy: (a summary of which is located on our website at <http://www.albemarle.com/investors/corporate-governance/political-contribution-policy-summary-1902.html>).

Albemarle supports transparency in the political process and has on an annual basis commencing in 2014 publicly disclosed its corporate political contributions and political contributions by the Albemarle Corporation Political Action Committee (the "Albemarle PAC"), which is registered with the U.S. Federal Election Commission and permitted to make contributions at the federal level. The Albemarle PAC provides eligible employees with the opportunity to support candidates who have demonstrated support for the principles to which we are dedicated. The political contributions made by the Albemarle PAC are funded entirely by the voluntary contributions from eligible employees. A committee composed of Albemarle's President & Chief Executive Officer, Senior Vice President, General Counsel, Corporate and Government Affairs, and other senior officers of the company, with the advice and assistance of Albemarle's Government Relations Office, is responsible for overseeing the contributions and activities of the Albemarle PAC. We do not make political contributions at the federal level using corporate funds.

Albemarle's contributions at the state and local level are based on advancing the best interests of Albemarle and its stockholders and employees, including consideration of Albemarle's interests in a particular state, legislative activity in that state, Albemarle facilities and employees in that state and local political factors. Albemarle's President & Chief Executive Officer and Senior Vice President, General Counsel, Corporate and Government Affairs, with the advice and assistance of Albemarle's Government Relations Office, are responsible for overseeing Albemarle's contributions at the state and local level.

Neither Albemarle nor the Albemarle PAC intends to make "independent expenditures" or contributions to political committees that make such independent expenditures ("Super PACs") in connection with any federal or state election. If Albemarle or the Albemarle PAC changes its general guidelines to allow independent expenditures or contributions to Super PACs, we expect that any such expenditures or

contributions would be disclosed in Albemarle's Annual Report on Form 10-K setting forth its political contributions.

Our Nominating & Governance Committee is responsible for overseeing Albemarle's political contributions. The Nominating & Governance Committee receives periodic updates regarding Albemarle's political activities, including corporate contributions and contributions by the Albemarle PAC.

Below are the contributions made by Albemarle Corporation and the Albemarle PAC in 2015.

## POLITICAL CONTRIBUTIONS (January 1, 2015 - December 31, 2015)

### Albemarle Corporation

Candidate/Organization	Party	State	Date	Amount
Baton Rouge Area Chamber Creative Capital	N/A	Louisiana	6/1/2015	\$25,000
John Young Campaign	Republican	Louisiana	9/8/2015	\$1,000
North Carolina Chamber of Commerce	N/A	North Carolina	9/22/2015	\$5,000

### Albemarle PAC

Candidate/Organization	Party	State	Date	Amount
Cotton for Senate	Republican	Arkansas	1/8/2015	\$1,500
Hillary for America	Democrat	Federal	9/16/2015	\$5,000
Fund for a Conservative Future	Republican	Oklahoma	9/16/2015	\$1,000
Bill Cassidy for US Senate	Republican	Louisiana	11/20/2015	\$2,500

## DISCLOSURE OF MANAGEMENT APPROACH (DMA) - PRODUCT RESPONSIBILITY

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



Karen Narwold, Executive Vice President & Chief  
Administrative Officer

## G4-PR1 PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT

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.

Activity	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	

## G4-PR3 TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY THE ORGANIZATION'S PROCEDURES FOR PRODUCT AND SERVICE INFORMATION AND LABELING, AND PERCENTAGE OF SIGNIFICANT PRODUCTS AND SERVICE CATEGORIES SUBJECT TO SUCH INFORMATION REQUIREMENTS

Under our corporate procedures, Albemarle works to follow 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, except as required by law. The following product and service information is required by our 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	

## Contact Information:

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



"This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines"

<b>GENERAL STANDARD DISCLOSURES</b>		
<b>General Standard Disclosures</b>	<b>Page Number (or Link)</b> Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	<b>External Assurance</b> Indicate if the Standard Disclosure has been externally assured.
<b>STRATEGY AND ANALYSIS</b>		
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<b>ORGANIZATIONAL PROFILE</b>		
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<a href="#">G4-12</a>	Information is currently unavailable.	
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<a href="#">G4-18</a>	Information is currently unavailable. Material aspects and boundaries have not been addressed yet	
<a href="#">G4-19</a>	Information is currently unavailable. Material aspects and boundaries have not been addressed yet	
<a href="#">G4-20</a>	Information is currently unavailable. Material aspects and boundaries have not been addressed yet	
<a href="#">G4-21</a>	Information is currently unavailable. Material aspects and boundaries have not been addressed yet	
<a href="#">G4-22</a>	Information is currently unavailable. Material aspects and boundaries have not been addressed yet	
<a href="#">G4-23</a>	Information is currently unavailable. Material aspects and boundaries have not been addressed yet	
<b>STAKEHOLDER ENGAGEMENT</b>		
<a href="#">G4-24</a>	Information is currently unavailable. No activities yet	
<a href="#">G4-25</a>	Information is currently unavailable. No activities yet	
<a href="#">G4-26</a>	Information is currently unavailable. No activities yet	

<a href="#">G4-27</a>	Information is currently unavailable. No activities yet				
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<b>DMA and Indicators</b>	<b>Page Number (or Link)</b>	<b>Identified Omission(s)</b>	<b>Reason(s) for Omission(s)</b>	<b>Explanation for Omission(s)</b>	<b>External Assurance</b>
	Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	Indicate if the Standard Disclosure has been externally assured.  If yes, include the page reference for the External Assurance Statement in the report.
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