

A RESPONSIBLE CARE® COMPANY

Responsible Care & Sustainability

2017 REPORT SUMMARY

CELEBRATING 25 YEARS



About This Report

Welcome to our 2017 Responsible Care® and Sustainability Report.

This is a condensed version of the full report, which is available online at www.methanex.com/2017RCsustainability.

This report covers the period from January 1 to December 31, 2017, and focuses on Methanex's performance and impact in five key areas: Sustainable Energy Uses of Methanol, Environment, Workplace, Community, and Product Stewardship. In celebration of our 25th anniversary, this year's report also highlights some historical aspects of our activities and achievements.

Our reporting scope includes assets over which Methanex has direct or part ownership and full operational control. In the case of our wholly owned subsidiary Waterfront Shipping Ltd. (www.wfs-cl.com), our reporting boundary includes time- or spot-chartered vessels to the extent that Waterfront has commercial control through charter party contracts.

We report on our activities and achievements as part of our commitment to Responsible Care and sustainability, our accountability to the public, and our pursuit of continual improvement. Our Responsible Care Program is rooted in the Chemistry Industry Association of Canada's Responsible Care ethic, principles for sustainability, and codes of practice (www.canadianchemistry.ca). These ethics and principles are recognized by the United Nations and adopted by the global chemical industry. They commit us to:

- Work for the improvement of people's lives and the environment, while striving to do no harm
- Be accountable and responsive to the public
- Proactively protect health and the environment
- Innovate for products and processes that conserve resources
- Engage with business partners to ensure responsible stewardship of our products throughout their life cycle
- Understand and meet expectations for social responsibility
- Work with all stakeholders for public policy that enhances sustainability
- Promote awareness of Responsible Care and inspire others to commit to these principles

Please visit methanex.com for past reports and to learn more about Methanex, our safety policies, and methanol facts. For the complete version of our 2017 Responsible Care and Sustainability Report, please visit: www.methanex.com/2017RCsustainability.

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This report may contain forward-looking statements. By their nature, such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. For a discussion of these risks and uncertainties, please refer to the Risk Factors section of the Management's Discussion and Analysis, which can be found in our most recent Annual Report or on our website at www.methanex.com.

Message from the CEO

2017 marked our 25th anniversary as a company. It was an outstanding year in every aspect. We achieved record sales and production while developing our people, strengthening our programs, and deepening our commitment to our Responsible Care Ethic and Principles for Sustainability.

Methanex formed in 1992 as a small collection of manufacturing plants in a emerging industry. In 25 years we have merged our assets into a unified business; acquired, retired, restarted, and relocated plants; built a new plant from the ground up; and formed a shipping company. More importantly, we have built an incredible global team and developed strategic partnerships to grow new applications for methanol.

From the start, we have conducted our activities with a Responsible Care and sustainability ethic and worked to spread that message throughout the value chain. With commitment and support from every level of the organization, we have embedded Responsible Care—and its ongoing improvement—into the hearts and minds of our team.

An exciting milestone in 2017 was the one-year anniversary of the delivery of the world's first-of-their-kind dual fuel vessels capable of running on methanol. The addition of these seven ships to our fleet is one of several examples of how methanol is growing in the energy sector, driven by global regulatory trends toward cleaner-burning fuels. In both our work to advance methanol as a clean source of energy and our robust product stewardship programs, Responsible Care is our foundation.

Environmental stewardship and protection are fundamental to our Responsible Care practices. Since our start as a company we have reduced CO₂ emissions intensity from manufacturing by 34% while achieving record levels of production. Improvements to the reliability and operational efficiency of existing plants and use of the latest technologies in our newer plants have enabled this achievement, and they remain our focus today.

The health and safety of people are our top priorities. This is why we set our goal as zero injuries and maintain the highest standards for physical, mental, and social well-being in the workplace. It is also why we are disappointed to report more injuries to team members in 2017 than we have had in recent years. Since 2014 we have achieved good results due to key safety culture and contractor management programs, and we are continually

evolving our safety programs. We know that we are on the right track, and in 2018, we will intensify our efforts to advance these programs and attain our goal of zero injuries.

We have the capacity to make a difference for people. We also know that it is our people's talent, creativity, and commitment that enables us to make a positive difference for people in our communities. Through our team's passion for volunteering, fundraising, and sponsorship, we are making contributing to the sustainability of our communities.

One of the ways we take care of our people and ensure the sustainability of our organization is through employee engagement and talent development. In 2017, we made important strides in responding to employee feedback by building and strengthening our mentoring, leadership, and Switch On to Responsible Care programs throughout the organization. We also improved technology tools that enable inter-regional collaborations, a hallmark of our global business operations.

With incredible teams, hearts and minds engaged in Responsible Care and sustainability initiatives, we continue to provide safe, reliable, low-cost product to our customers and remain unrelenting in our Responsible Care efforts.



John Floren
President and
Chief Executive Officer



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TARANAKI SUN
GEORGE TOWN

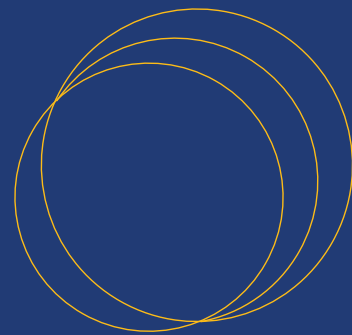
METHANOL

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Sustainable Energy Uses of Methanol



40%

of Waterfront Shipping's fleet to be
powered by methanol in 2019

3 vessels

time-chartered by Waterfront
Shipping recognized with
a ship-of-the-year prize

>2000 taxis

operating on methanol
in Guiyang, China

We support the development of new, innovative methanol applications. As the global demand for energy continues to grow, so does the demand for methanol as an alternative source of energy and fuel.

METHANOL AS A MARINE FUEL

We celebrated the one-year anniversary of the delivery of the world's first methanol-fueled ships, which achieved emission reductions and a technology award.

The seven 50,000 dead-weight-tonne methanol tankers that Waterfront Shipping added to its fleet in 2016 operated safely and reliably around the globe in 2017 and achieved significantly lower sulphur-oxide (SOx), nitrogen-oxide (NOx), and particulate-matter emissions than engines running on conventional marine fuel.

The delivery of these seven vessels was a collaborative effort by Waterfront Shipping and shipping partners Mitsui O.S.K. Lines, Ltd., Westfal-Larsen Management, Marininvest/Skagerack Invest, and engine manufacturer MAN B&W. The ships are powered by two-stroke, dual-fuel engines capable of running on methanol, fuel oil, marine diesel oil, or gas oil.

Also in 2017, three of the vessels were honoured with a Technology Special Prize in the Ship of the Year awards sponsored by the Japan Society of Naval Architects and Ocean Engineers. This award recognizes the ships' innovative technology and potential to benefit the marine industry through improved performance and reduced emissions. The prize-winning ships are owned by Mitsui O.S.K. Lines, Ltd., and time-chartered by Waterfront Shipping.

Sharing about methanol as a marine fuel with tomorrow's engineers in Trinidad

In January 2017, Methanex hosted a knowledge-sharing session with the University of Trinidad and Tobago's Maritime Studies Faculty in Chaguaramas. The session featured an in-depth examination of the environmental, economic, and technical factors that position methanol as a beneficial alternative fuel for marine vessels and explored the new dual-fuel technology being used for this application.

Methanex recognizes the role we can play in bridging today's education to tomorrow's industry and technology. We are excited to be sharing information about methanol with universities in several regions. More information on our work in this area can be found in the Product Stewardship chapter of this report.



Students in Maritime Studies at the University of Trinidad and Tobago attending a presentation on methanol as a marine fuel

The Mari Boyle: A model of marine methanol technology

In June 2017, four representatives from the China Classification Society (CCS) and Tianjin University took a tour of Waterfront Shipping's vessel Mari Boyle when it called to port at Zhapu, Zhejiang Province.

The ship's chief engineer offered practical insights into how a methanol-fueled vessel is configured. The visitors were toured through the methanol supply room, control room, and engine room for a first-hand view of the technology enabling it to run on a clean-burning, alternative fuel.

The tour was instrumental in assisting the CCS with its new standards on the use of methanol as a marine fuel, which were released later in the year. It also helped researchers at Tianjin University with design details for the conversion of a fishing administration vessel in East China to run on methanol, a collaborative pilot project with Methanex.



Due to the success of this technology, Waterfront Shipping, along with shipping partners Marinvest/Skagerack Invest, IINO Kaiun Kaisha, Ltd., Mitsui & Co., Ltd., and the NYK Group, will add another four vessels to the fleet, making 40% of the Waterfront Shipping fleet powered by clean-burning methanol fuel technology in 2019.

Methanex supported the China Classification Society in drafting new standards for ships using alternative fuels.

In 2017, Methanex and the Methanol Institute supported the China Classification Society (CCS) in defining new standards for ships powered by methanol. The CCS is an organization that establishes and maintains technical standards for the construction and operation of marine vessels in China.

The new standards, which took effect in December 2017, will be instrumental in assuring optimal safety and environmental standards for methanol-fueled vessels in China. Our work in supporting the new requirements aligns with our commitment to the sustainability of the growing methanol market.

The new standards are expected to form the foundation for future national guidelines from China's Ministry of Transport. They will also provide support for our methanol marine-fuel pilot projects with the Ministry of Agriculture and Tianjin University.

METHANOL AS A POWER SOURCE

Our methanol-fueled boiler project in China delivered positive results, and we supported the development of standards and held safety seminars for this application of methanol.

With the Chinese government's emphasis on protecting the environment and improving air quality, small coal-fired boilers are being changed to burn cleaner fuels, and methanol is proving to be one of the most promising alternative fuels in this sector.

Our demonstration boiler project (a collaboration between Methanex, Jinjingda Environmental Thermotechnical Co., Ltd., Beijing Sinder-Vet Technology Co., Ltd., and the China Association of Alcohol and Ether Clean Fuel and Automobiles) operated successfully throughout 2017, delivering positive performance and smooth operation in response to tests performed by the local environmental protection bureau.

Throughout the year, Methanex supported the development of industry standards for methanol-based fuel for boilers to enable the sustainable growth of this application for methanol. Also, in December, we held a boiler safety seminar with our partners. Attended by boiler producers, methanol fuel suppliers, end users, and local authorities, the seminar featured presentations on methanol fuel applications, road transport safety, Responsible Care principles, emergency response, and safe handling.

We also published the *Safe Handling Guidebook for Methanol as a Boiler Fuel* and shared it with stakeholders. This guidebook will be shared with the broader industry in 2018.

METHANOL AS A VEHICLE FUEL

With the success of China's high-level fuel-blending pilot program, we continued to advance Responsible Care programs in support of sustainable growth in the vehicle market.

Since 2012, China's Ministry of Industry and Information Technology (MIIT) has been conducting a methanol vehicle pilot program. In five years, the original pilot has put

over 1,000 methanol-fueled vehicles on the road across five provinces; these vehicles have logged over 180 million kilometers.

In 2017, the pilot continued to show growth and success. For example, in Guiyang, the capital of Guizhou province, the number of methanol taxis increased from 300 to over 2,000 since June 2015 and continues to grow, due to the pilot's positive results.

As vehicle markets for methanol expand in China, Methanex continues to raise awareness of Responsible Care through our communications and safety training sessions.

RENEWABLE METHANOL

We supported the development of Carbon Recycling International's health, safety, and environment management systems, with a focus on process safety.

As part of our support for Carbon Recycling International (CRI), we helped develop a health, safety, and environmental (HSE) management system for their operations based on the Responsible Care Codes of Practice. The management system takes a risk-based approach to managing site hazards and their mitigation. This will aid continual improvement in HSE management at the CRI plant, which manufactures methanol from waste carbon dioxide.

We also helped CRI develop a process-safety management (PSM) framework based on the Energy Institute's PSM Framework, an industry best practice, and a continuous-improvement plan that includes implementation of the PSM and HSE systems. Our efforts are aimed at helping CRI continuously improve its ability to mitigate risks while demonstrating to the world the potential for the manufacture of green, renewable methanol.



CRI's Iceland plant, where methanol is manufactured from waste CO₂ emissions



Training others to spread information on safe handling

It's one thing to train a group of people on methanol safety. It's another thing to train them in a way that helps them spread the safety message and train others to do the same.

In December, Methanex and the Ministry of Industry and Information Technology (MIIT) launched an education module about safe practices for the handling of methanol, in support of MIIT's methanol vehicle pilot program.

Delivered as part of a Responsible Care seminar in Guiyang, Guizhou province, the seminar was attended by 50 people representing a broad range of stakeholders in China, including representatives from municipal government; local branches of work safety, transport, quality, defense, health, and ecological agencies; and local taxi companies.

The session received positive feedback for both its content and its timing, as the number of methanol vehicles on the road in China is rapidly increasing.

By reaching out to key representatives from government and industry about methanol safety, we can continue to support sustainable growth in the vehicle sector and encourage others to integrate safety information into their programming, too.



Environment

34%

decrease in CO₂ emissions intensity from manufacturing since 1994

20%

decrease in CO₂ emissions intensity from marine shipping since 2002

>130K tonnes

of CO₂ recycled and converted to methanol

>90%

of our waste is nonhazardous

We take a multi-pronged approach to minimize our environmental impact. We make efficient use of natural resources, such as natural gas, energy, and water. We also minimize the production of waste and emissions, and have a comprehensive spill-prevention program.

EMISSIONS FROM GLOBAL MANUFACTURING

Our CO₂ emissions intensity from manufacturing remained steady while production increased.

In 2017, Methanex generated 4,171,421 tonnes of CO₂ emissions (on an equity basis) from methanol production.

While production of methanol increased by 169,538 tonnes (2%) in 2017, our CO₂ emissions intensity remained relatively the same, at 0.580 tonnes of CO₂ per tonne of methanol (compared to 0.587 in 2016).

Since 1994, our CO₂ emissions intensity has decreased 34%. (See graph, left.) During this time, we removed some of our older plants from active service and improved the reliability and efficiency of our existing plants, which further contributed to lowering the emissions intensity of methanol production.

As we continue to optimize existing plants and create more efficient new plants, we expect to continue improving our manufacturing CO₂ emissions intensity.

CO₂ Emissions from Methanol Production





Flow meter on incoming CO₂ line allows control of the amount of CO₂ entering the synthesis gas loop

Making a difference through CO₂ injection

Since 2013, our Medicine Hat plant has injected a clean stream of waste CO₂ gas into its process, sourced from a neighbouring facility. The volume of CO₂ injected has increased from approximately 15,000 tonnes in 2013 to over 130,000 tonnes in 2017. The recycled CO₂ improves production efficiency and converts the waste CO₂ into methanol. (Carbon dioxide is one of the required synthesis gases produced from natural gas to make methanol.)



Artwork by student Christian Beepath of Trinidad, who received 3rd place in the Canada Day climate-change art competition titled "What does climate change mean to me?" Christian is a student in Trinidad's Mentoring Our Children program; read more in the Community chapter of this report.

EMISSIONS FROM MARINE SHIPPING

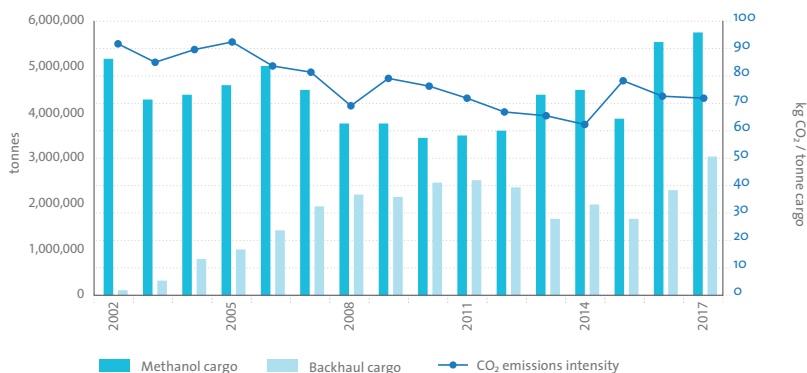
We reduced the CO₂ emissions intensity from our marine shipping fleet.

Waterfront Shipping's CO₂ emissions intensity from marine transportation decreased from 72.6 kg* CO₂/MT of cargo in 2016 to 71.1 kg CO₂/MT of cargo in 2017.

Historically, we've been seeing a positive trend in our emissions intensity: since 2002, CO₂ emissions from marine shipping have decreased approximately 20%. This reduction is mainly due to an increase in backhaul cargo (see graph, below), which improved fleet utilization. We've also been adding newer, more efficient vessels to our fleet, which contributes to a lower proportional emissions intensity.

*Note: The 2016 CO₂ emissions intensity for marine shipping has been corrected from 73.6 kg CO₂/MT of cargo to 72.6 CO₂/MT of cargo.

CO₂ Emissions from Marine Shipping



WATER MANAGEMENT

In 2017, the amount of fresh water used for methanol production increased and had a ratio of 2.68 m³ per tonne of methanol, compared to 2.38 m³ in 2016.

Four of our sites use water originating from freshwater sources for methanol production. In 2017, these sites consumed 14,848,502 m³ of fresh water (which excludes ~20% returned to the source as treated wastewater) to produce 5,539,000 tonnes of methanol.

The freshwater-consumption intensity of methanol production can vary, depending on a plant's age and the equipment in operation, as well as its level of production from year to year. Our three-year rolling average of freshwater intensity is approximately 2.66 m³ per tonne of methanol produced, which is generally our expected consumption intensity.

WASTE MANAGEMENT

The amount of waste generated in 2017 decreased by 14% compared to 2016.

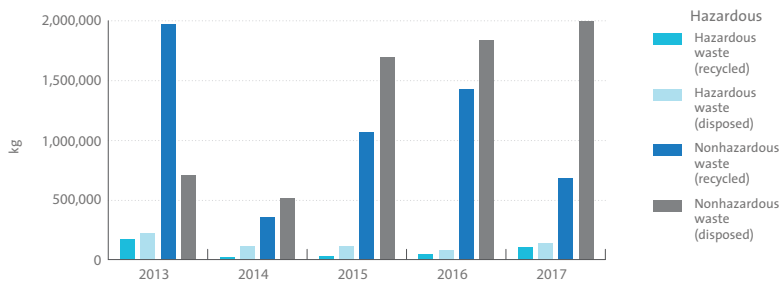
From year to year, the amount of waste generated at Methanex is highly dependent on plant maintenance turnarounds and projects.

In 2017, we had plant turnarounds at two sites, accounting for approximately 37% of the waste we generated. The majority of recycled material was nonhazardous spent catalysts, steel from machinery, piping, and wood.

Other nonhazardous waste disposed to landfill included materials such as insulation, spent filtering resins, asphalt, and sludge, which were disposed in accordance with local regulations.

Over the last few years, we've been steadily decreasing the volume of hazardous waste we generate, while recycling as much hazardous waste as possible. In 2017, 8% of our total waste was hazardous, of which half was recycled. On average, more than 90% of our waste is nonhazardous.

Waste Generated/Recycled



SPILL PREVENTION AND RESPONSE

After three consecutive years with zero significant spills, we experienced a slow methanol leak from a storage tank.

In 2017, during routine groundwater monitoring at our port terminal in Taranaki, we discovered methanol in groundwater that was subsequently traced back to a slow leak from a small hole in one of our storage tanks.

We promptly repaired the leak and conducted a further assessment of the impacted area, determining that the spill was localized in nature. We also continued our groundwater monitoring, which showed a continual decline of methanol readings.

In line with our rigorous incident investigation process, we reviewed the controls in place against spill events of this type, shared the lessons learned with all our other manufacturing sites, and took appropriate preventive actions. We continue to work with subject-matter experts and local agencies to determine if further actions are required.

Our approach to spill prevention, enhanced by our process-safety management (PSM) and lessons-learned programs, continues to have good results across the organization; we have not had a significant spill at other sites in four consecutive years. (See graph, right.)

A sustainable alternative to reusing clean effluent water in Egypt

In 2017, Methanex Egypt signed an agreement with the Egyptian Environmental Affairs Agency (EEAA) to deliver a lasting and creative solution to the disposal of our clean effluent water.

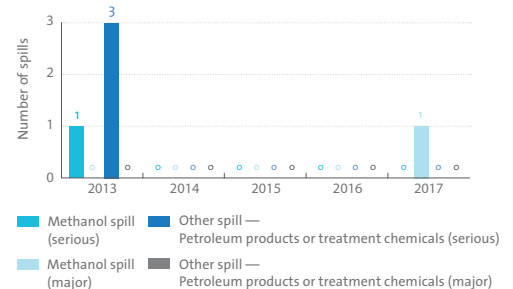
Working in collaboration with the EEAA and the New Damietta Development Authority (NDDA), our team proposed re-channeling our clean effluent water to irrigate nonagricultural gardens in New Damietta. This solution significantly reduces the discharge of treated effluent into the Mediterranean Sea and provides an additional source of clean reusable water to the NDDA.

Throughout the process, our main goal was to ensure that we continue to act and live the values of Responsible Care. We care deeply that our business in Egypt continues to be environmentally compliant, sustainable, and efficient, and that we deliver value to the Damietta community and local government.



Methanex Egypt signs a cooperation protocol with New Damietta Development Authority to use the plant's clean effluent water for irrigation of nonagricultural gardens in the city

Environmental Spills





Workplace

20
years

of continuous improvement
in safety

130
leaders

engaged in process safety
at senior levels

26
sessions

of leadership training
held globally

~1,000
employees

trained in Switch On to
Responsible Care

The safety and well-being of our employees, contractors, and the communities in which we do business is our number-one priority. Our talent-management programs are designed to ensure that staff have the knowledge and tools to be successful and opportunities to maximize their potential.

HEALTH AND SAFETY

PREVENTING INCIDENTS

While we had higher injury frequency and severity rates than 2016, historical trends show continuous improvement in injury prevention.

In 2017, the recordable injury frequency rate (RIFR) rose for employees and contractors combined, though for contractors there was a slight decline. We attribute the improvement in contractor injury rates to our concerted efforts to increase supervision and communication with contractor populations and bring them into our safety culture.

We also had more incidents resulting in medical treatment, lost time, or modified work (recordable injuries) than in previous years. Of these incidents, eight occurred during plant turnaround activities—our most hazardous work—and during work activities identified by our Critical Activities Rules and Expectations (CARE) rules as being high hazard: work at heights and confined-space-entry work.

This tells us that while our systems correctly recognize the workplace hazards most likely to occur, we need to further enhance our practices to effectively prevent these





A multi-department team reviews risks and hazards of scheduled work at a daily planning meeting

Our first safety video on lessons learned from a 2016 incident

In 2016, a potentially significant incident occurred during the demolition of an abandoned wastewater neutralization tank at our Medicine Hat facility. We were fortunate that no one was hurt. From that experience, we committed to ensuring that this type of incident never happens again.

In 2017, we produced a safety video—a first for Methanex—to communicate the lessons learned from this incident to site employees, global peers, and external stakeholders. The video was shared across the organization with a presentation, and employees were asked to consider the lessons carefully for any applicability within their region and work activities.

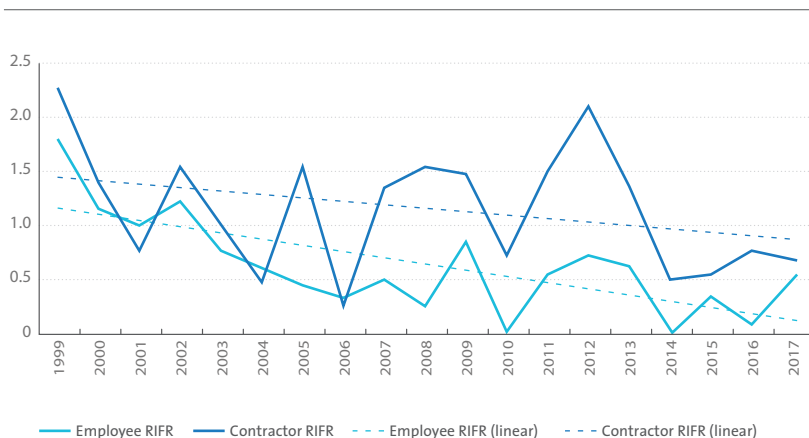
One of the lessons we learned from this incident was the importance of recognizing the unique hazards in non-routine jobs. This has had a great impact on many of our systems, leading to changes and heightened awareness in planning processes, definition of job scopes, pre-job risk reviews, and permitting processes. It has also resulted in a project to produce a video library of important safety-related Methanex stories based on past incidents.

The video is available on our website.

hazards from causing injuries. We are addressing this by placing even more focus on our Critical Activities, Rules, and Expectations (CARE) standards, application of lessons learned from incidents, and clear communication of our standards, practices, values, and responsibilities to all who work on our sites.

Overall, our historical injury frequency rate is following a good trend. Our continuous improvement program is driven through audits, inspections, analysis of incidents, and changes in safety philosophy. We also look at the RIFR as a lagging indicator, to see if we are trending in the right direction. As we move forward in 2018, we will continue to challenge ourselves to maintain the lowered rates and advance toward our goal of zero harm.

18-year Global Recordable Injury Frequency Rate (RIFR)



* Recordable injuries are incidents that require medical attention or that result in restricted work or lost time. The frequency (RIFR) is calculated per 200,000 hours worked.



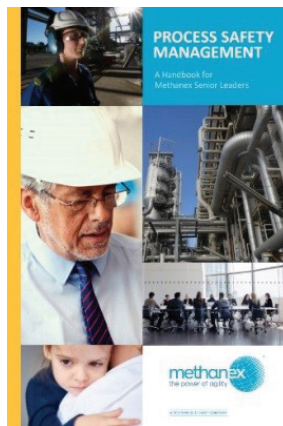
Workers in New Zealand demonstrating an innovative tank-inspection process that uses a robot camera to improve safety for work in confined spaces

ADVANCING PROCESS SAFETY

We completed numerous process-safety initiatives, including the publication of a handbook for leaders and a management session for senior leaders.

In 2017, we undertook a number of initiatives to better systematize our process-safety activities and build greater awareness of our key risks and safeguards.

- Our new publication, Process Safety Management: A Handbook for Methanex Senior Leaders, was distributed to 130 senior leaders to explain what process safety is, why it is important, how we manage it, and what is expected of this level of leadership.
- We held a session on process-safety management at the Global Leadership Council, an annual meeting of our most senior leaders.
- We identified the top three process-safety risks at each manufacturing location and shared them through the management structure to the executive team to build a common awareness of key process-safety risks at all leadership levels and provide focus for projects in 2018.
- We advanced the implementation of global standards for process hazard analysis, safety-critical elements, and safe operating limits.



BUILDING OUR RESPONSIBLE CARE CULTURE

We took our Switch On to Responsible Care message deeper into our culture, and began sharing it with our contractors.

When we launched our Switch On to Responsible Care program in 2015, we trained numerous leaders in this engaging approach to safety that emphasizes each person's individual role in safety and Responsible Care. In 2016, we took this training to employees at all levels and trained internal facilitators to continue sharing the message across the entire organization.

In 2017, our trained internal facilitators led five sessions in two manufacturing regions (New Zealand and Trinidad), bringing the total number of employees now trained in this core cultural piece to 1000. In 2018, we will run a Switch On workshop for our Executive Leadership Team and the Board of Directors, and we will also design a workshop to be delivered into other parts of the company, such as Marketing and Logistics.

Promoting health in New Zealand

Our New Zealand team implemented numerous health initiatives and received a Workplace Health & Safety award for their efforts.

In 2017, our New Zealand team received a Wellness at Work award at the Workplace Health & Safety Awards, the country's only nationwide, all-sector health and safety awards. The award recognized Methanex's well-being program, which has evolved to create positive and sustainable impacts for staff and their families, going above and beyond accepted corporate practice in this area.

New Zealand workplace health initiatives include bladder- and bowel-cancer screening, nutrition consultations, fitness testing, support for smoking cessation, and flu vaccines. An extensive fatigue-management program protects all plant workers from the hazards of working with inadequate rest.

During the 2017 turnaround, the New Zealand team took further steps to promote healthy lifestyles by providing free fresh fruit to workers. Employees and contractors consumed almost two tonnes of fresh fruit over the course of the turnaround.

They also accumulated a total of 260,000 working hours without a single recordable injury.





Technical training and development for controllers and operators in Egypt, Trinidad

In 2017, we delivered targeted training programs for operators in two of our manufacturing regions, specifically relating to technical knowledge and fostering of leadership—areas identified by our 2016 Employee Engagement and Culture Survey as opportunities for improvement.

These formal and informal programs presented a variety of opportunities and approaches to meet the evolving needs of today's learners.

In Egypt, controllers and operators were trained in sharing their procedural understanding and knowledge of plant areas with colleagues to strengthen the team's technical competency.

In Trinidad, a development program was launched to help operators make successful transitions to supervisory leadership roles. In Trinidad's Maintenance department, lunch-and-learn sessions were held to strengthen technical knowledge and skills, and continue to build informal learning groups.

Our learning and development programs recognize the value in diverse approaches to learning and the importance of facilitating knowledge sharing between individuals and teams.

Switch On principles are impacting our own teams, and also the way we work with our contractors on our worksites. In preparation for a maintenance turnaround at our New Zealand plant, we spent a day aligning both Methanex and contractor staff around our approach to safety. Before a plant outage in Trinidad, a cross-functional team spent two days—one with employees, and the other with supervisors and principals of our contracting companies—to set the safety tone for the outage.

TALENT MANAGEMENT

LEARNING AND DEVELOPMENT PROGRAMS

In 2017, we successfully launched our High-IMPACT Coaching and Mentoring pilot program in North America.

Our High-IMPACT Coaching and Mentoring program was created to build a strong foundation for knowledge-sharing within our organization. The program piloted in 2017 with eight individuals paired with a coach from a different location or function. The coaches focused on helping the individuals achieve one of their personal or career-development goals. The coaches' growth and development were also supported by internal and external coaching support, specifically focused on helping them develop a leadership mindset that empowers individuals and enables innovative problem solving.

Based on the success of the pilot, the program is expected to roll out globally in 2018 as a complement to regional coaching initiatives that are already underway.

FOSTERING COMMUNICATION AND AGILITY

We developed an IT strategy to improve our business processes and enhance communication and collaboration.

Our 2016 Employee Engagement and Culture Survey identified the need to improve our information systems to make it easier for people to obtain useful data and network with colleagues around the world.



Technical training session in Egypt

In response to the survey feedback, our global IT team developed a strategy and roadmap that will phase in strategic initiatives over the coming years. The strategy is focused on delivering trusted information, business process excellence, and collaboration tools to enable world-class reliability, lower operating costs, and a connected, high-performing global workplace.

As we work to enhance our IT infrastructure and systems, our success will depend on strategic partnerships with business and subject-matter experts from across the company, working alongside IT to bring the best solutions to light.



Living Responsible Care, on and off the job

Across Methanex, our staff are embracing the message of being “switched on” to Responsible Care at work—and staying switched on when they leave the workplace.

Below, we share two examples of staff members whose passion and deep commitment to the principles of Responsible Care were catalysts for positive impact outside of our own workplaces.

Chris Johnston, occupational health advisor in Medicine Hat, initially brought the Canadian Mental Health Association (CMHA) to the plant site to talk to workers about mental health and suicide. This initiative spread to the local chapter of the Canadian Society of Safety Engineering (CSSE) and, in turn, to several other local industry neighbours, who hosted the presentation in their workplaces. Chris also coordinated Applied Suicide Intervention Skills Training (ASIST, the world’s leading suicide intervention workshop, for eight

Methanex volunteers, recognizing the value this would bring both to our workplace and the community. Chris was recognized for his role in starting workplace conversations about mental health with a 2017 CMHA Workplace Wellness Award.



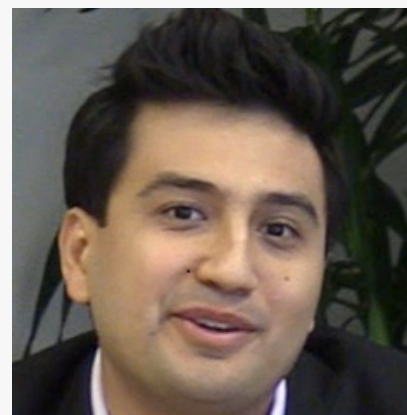
Another example of living Responsible Care off the job is the work of Geismar’s emergency-response specialist Chris Browning. Chris was an active part of the Methanex team’s response to the 2016 floods that affected their own community in Louisiana. When flooding hit Houston, Texas, in 2017, Chris took action, realizing he had the training and experience needed in the response efforts. He mobilized supplies provided by Methanex and took two separate trips by boat, volunteering for the local fire department to provide water rescue and secondary support for emergency services.

Meeting business and employee needs through global mobility

Francisco Guevara began his Methanex career straight out of university as an Accounting Assistant in our Vancouver corporate office, and in 2017 advanced to Manager, Accounting.

When his wife received a once-in-a-lifetime opportunity to work temporarily in Brussels, Belgium, Francisco approached his manager to inquire into the possibility of a short-term assignment at Methanex’s European Marketing and Logistics office, also in Brussels. A need had recently emerged in the Brussels office due to a short-term leave of absence, and the company arranged for Francisco to fill this role.

As a result of his assignment, Francisco was able to provide valuable support to our European office, grow his business knowledge, and enrich his career with Methanex—while meeting family needs at the same time.





MARINEX

MARINE EXPORTER

IMO 9074420

PANAMA

STAVANGER

WATERFRONT

Product Stewardship

8.6 years

average age of the marine vessel fleet

100 sessions

held for safety training of ships' crews

300 organizations

engaged through Responsible Care meetings

4 awards

for safe rail transportation

Our comprehensive approach to product stewardship safeguards the public, the environment, and the communities in every country where we do business. We promote the proper use and safe handling of methanol while implementing environmental stewardship and social responsibility across our supply chain.

MARINE SAFETY

While growing our fleet by 15%, we maintained our Responsible Care focus and improved our overall safety rating.

In 2017, while adding five vessels to our fleet, we maintained and improved our former levels of vessel inspections and safety training. The addition of newer vessels lowered the average age of the fleet from 9.6 years in 2015 to 8.6 years in 2017.

Increasing the fleet also increased the number of safety visits, inspections, and training sessions required to maintain our safety standards. In 2017, safety visits were performed on all 28 vessels in our Waterfront Shipping fleet, and safety training was done twice per ship on average. Safety inspections added new requirements addressing energy efficiency, methanol-vapour detection equipment, shipboard teamwork, and safety management systems. The overall fleet safety rating improved from 88.2% to 89.1% in 2017.

The increased fleet size also increased operating hours, particularly hours operating on methanol. Here, too, we maintained and improved our incident rates over the year with no reportable incidents.

We are pleased that overall safety continues to improve as our fleet size grows and we work with crew management to continually improve safety.

2017 Vessel Inspections, Safety Visits, and Training

	Planned	Achieved
Vessel safety visits	25	28
Annual Chemical Distribution Institute – CDI-Marine Inspections	25	28
Methanol and nitrogen safety training sessions	70	117



Ensuring safety for every shipment

A team of six, loads railcars and trucks at our Medicine Hat facility and are key players in the safe transportation of methanol in North America, earning Canadian Pacific's Safe Rail Shipment award each year since 2012.

The rail shipments they load—up to 20 on a standard day—begin with CP, but go on to travel on all rail lines to customers throughout North America. Our safety record reflects the performance of our shipments on those lines too.

"Safety comes from the volume and quality of pre-loading checks we do," explains Matt Nelligan, product handling coordinator. "We look at the smallest nuts and bolts to find anything that could come loose, anywhere that methanol could seep out. It's also the preventative maintenance plan we operate under. But ultimately it's the confidence of the guys in flagging a railcar for potential problems before it goes out. That's a big component in sending out safe loads."

Our product stewardship program's "complete journey" approach means that we are invested in this level of care at every point along our product's travel to the end customer—whether the product is handled by our own people or by a partner company.



TERMINAL SAFETY

We advanced Responsible Care practices at terminals through CDI-T inspections, follow-ups, training, and seminars.

We performed a total of 10 CDI-T inspections and 17 follow-up visits at terminals across our marketing and logistics regions. We also held Responsible Care training and seminars for terminals in all regions.

CDI-T inspections are an important way for us to verify, through a third-party, that terminals meet our standards, particularly in regions where our standards are more stringent than regulation. Through inspections, we also develop partnerships that extend the value of the inspections beyond their immediate goals.

For example, in Latin America, the inspections have brought not only specific improvements to safety practices at terminals, but also increasing requests for training in the safe handling of methanol and sharing of best practices observed at other terminals. In Europe, terminal inspections allowed us to better understand surveyors' daily technical and safety challenges and the impact these may have on our inland operations; our support can now be more effective in sharing Responsible Care practices in this area.

Every interaction with terminals and other partners across the supply chain is an opportunity to encourage the exchange of good practices and promote our Responsible Care values.

RAIL SAFETY

Our safe shipping practices were recognized by four major North American rail lines, earning us a 2017 Grand Slam Award from the American Railroad Association.

We continue to receive awards for our rail shipping practices. In 2017, we completed over 10,000 shipments by rail—the most we have shipped since 2014. We earned safe shipping awards from BNSF, Union Pacific, Canadian Pacific, and Norfolk Southern by completing shipments on these four rail lines with zero nonaccidental releases. These achievements qualified us for the American Railroad Association's Grand Slam Award, which we were awarded for 2017.

Our five-year internal inspection program, which exceeds the 10-year minimum regulatory requirement, is one factor influencing our safety performance. Another is the Responsible Care assessments of our supply chain partners that we perform. In 2017, a total of 10 assessments were performed at customer locations, railcar repair and storage locations, and trans-loading facilities in North America. The assessments focus on training and inspection programs, tracking and documentation systems, and reporting practices.



Members of the Medicine Hat product handling department with Dallas Marketing and Logistics personnel

RESPONSIBLE CARE ADVOCACY

We reached over 1,100 people from nearly 300 organizations in four global regions with information about the safe handling of methanol.

Reaching people with a message of Responsible Care and information about safe handling of methanol is the heart of product stewardship. This work takes many forms. It spans people and organizations with any role in bringing our product to its destination, and it doesn't stop with delivering a message.

- A new video, *Methanol in Our Lives*, was produced in multiple languages, including Spanish, Portuguese, Putonghua, Japanese, and Korean.
- We shared with customers throughout Europe about the assistance we provide to improve safety.
- In North America, safety presentations focused on reaching people at all levels, from head offices to the field, and in all roles that have proximity to our product.
- In Canada, we worked with Responsible Distribution Canada and distributors in the region to develop a trans-loading standard and also to support peers who are building Responsible Care management systems.
- In Peru and Mexico, joint audits with distributors, subdistributors, and final customers were opportunities to support these partners in implementing changes.
- In Brazil, we presented "Safe Handling of Methanol in the Global Market" to regulatory agencies and political representatives at Brazil's Biodiesel BR Conference, the largest congress of its kind in the region. Biodiesel is a renewable fuel made from plant oils or animal fats; its production process uses methanol to convert the triglycerides in the oils into a useable, environmentally friendly fuel.



We received a merit award for our Responsible Care leadership in China.

In June of 2017, our Asia Pacific team received the Association of International Chemical Manufacturers' (AICM) Merit Award in China in recognition of Methanex's ongoing leadership in Responsible Care.

Nine years ago, Methanex was one of the first member companies of the AICM to sign the Responsible Care Beijing Manifesto, formalizing in the region our company's commitment to Responsible Care.

From the start, the team has focused on building a strong program for product stewardship and distribution and transportation safety, placing Responsible Care at the forefront of their interactions with all partners and stakeholders. From recognition programs for our own staff and the staff at terminals to the development and distribution of handbooks for safe road transportation, the team actively looks for new and creative ways to promote Responsible Care with stakeholders across the value chain.



Methanex presentation at Brazil Biodiesel BR Conference

Forums provide a new format for sharing and exchanging best practices

In China, our first-ever terminals forum provided a platform for approximately 25 terminals in the logistics network to exchange best practices on Responsible Care, process safety, safety culture, and CDI-T improvements in the management of terminals. The event was attended by over 100 representatives from terminals, including senior levels. The forum took an interview format, with representatives from five terminals—Responsible Care pioneers in the region—sharing their experiences and tips. The forum was greatly appreciated by the participants.

In Korea, a forum format was used to deliver our 2017 Distributor Responsible Care Standard Workshop. Distributors shared their experiences and tips for implementing the requirements defined in the new standard. The sessions were found to be very effective, and plans are underway to repeat this forum in 2018.

Whether presenting in seminars and meetings, performing audits and inspections, or supporting with follow-up actions, our product stewardship efforts depend on strong relationships with our supply-chain partners. When we know our partners and are familiar with their work and processes, we can more effectively share information, support them in addressing challenges, and advance continual improvement at every point along the way as our product travels to its customer.



Community

23
meetings

held globally with
community advisory panels

USD
\$1.27m

invested in our
communities

13,000
hours

spent helping on projects
in our communities

369
organizations

benefitted from our community
programs

We believe our business must have a positive impact on people's lives. Our goal is to build and support healthy communities that are great places to live and work. Through grants, education, regional development, and volunteerism, we invest in the communities where we do business, aligning our efforts with our values and culture.

COMMUNITY DIALOGUE AND ENGAGEMENT

We held 23 community advisory panel (CAP) meetings around the world, engaging with community members on topics they care most about.

The topics of our CAP meetings vary according to community needs and concerns. Here are some highlights from 2017:

In **Punta Arenas, Chile**, CAP meetings included discussions about plant operations, Responsible Care behaviours, and social responsibility actions. The site continues to pioneer work in fostering the inclusion of people with disabilities in the workplace.

The **Medicine Hat, Canada** CAP meetings included presentations on emergency management and fire incident safety, as well as climate change, GHG emissions management, and sharing learnings from the site's tank fire incident. They also held a joint video-conference meeting with the New Zealand CAP.



Boris Vukasovic, Punta Arenas plant manager, with students employed through the site's work to foster the inclusion of people with disabilities in the workplace



A joint teleconference of community advisory panels (CAPs) from two regions

To encourage communication and transparency, our CAPs in Medicine Hat, Canada, and Taranaki, New Zealand, held a first-ever video conference meeting. It was an opportunity to share experiences, challenges, and lessons learned, and to expand CAP members' knowledge about the global scope of Methanex's business.

At the meeting, the group talked about Methanex's manufacturing operations and other activities in their respective communities. Medicine Hat CAP members shared their community's concern about the possibility of a grass fire reaching the plant in the dry prairie region. New Zealand members talked about the heightened awareness of earthquake risks, and also shared the native Maori people's concerns about the safety and environmental consequences of a potential incident from methanol pipelines.

The groups expressed a shared value for Methanex's practices of transparency and engagement with their communities, and CAP members left with a greater sense of their role in this relationship. We plan to repeat the joint meeting and expand it to include more regions.

In **Taranaki, New Zealand**, in addition to the joint video conference, CAP discussions revolved around plant updates, health and safety legislation, and proposed District Plan changes.

At a **Damietta, Egypt** CAP meeting, we received constructive feedback about our social responsibility activities, with CAP members advising on social investments that made a meaningful difference in the community.

Geismar, USA CAP meetings included presentations on training and workforce development, chemical awareness and emergency preparedness, and strategy work related to United Way programs.

Our **Trinidad** CAP hosted its Community Open Day to educate members—who live and work in our fence-line communities—on our safety strategy and tactics. They also hosted a self-defense workshop to equip women and girls with skills to defend themselves if needed.

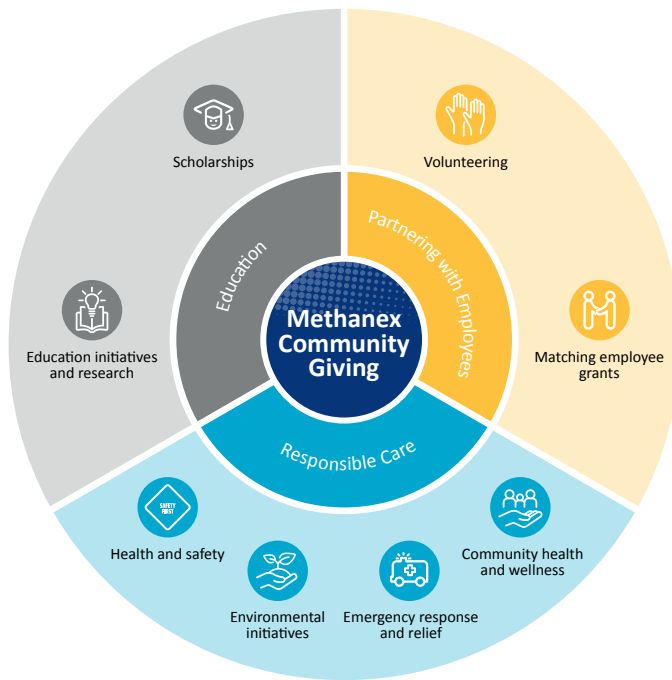
We conducted emergency response exercises and training with local emergency responders and partners.

Training, drills, and exercises are a regular part of our emergency response programs in each region. After each drill/exercise, we evaluate what we did well and what we can do better, incorporating our lessons learned into our emergency response plans. In 2017, these programs advanced in ways unique to each region. Here are some examples:

- In Europe, our annual emergency response exercise on the UK Pipeline took an operational focus this year to evaluate the response from various stakeholders involved. The participation of external stakeholders added great value this year as feedback from last year's drill was reviewed and considered in the exercise.
- Medicine Hat's emergency-response team participated with Canadian Pacific Railway personnel in a course on responding to rail incidents involving flammable liquids. CP hosted the training and enlisted the support of a third-party company with extensive background in responding to train derailments in North America.
- In Trinidad, our ER team updated their emergency response plan and focused training on high-angle rescue and emergency medical responder training to strengthen the team's competencies in these areas.
- In Chile, Methanex hosted fire-fighting training camps for our regional customers at the Chilean Fire Academy campus outside of Santiago. Participants were from diverse sectors and regions, including Chile, Peru, Colombia, Argentina, Brazil, and Mexico.



Fire-fighting training camp in Chile



COMMUNITY INVESTMENT AND VOLUNTEERING

In 2017, we invested USD \$1.27 million and contributed 13,000 hours to support communities around the world, benefiting 369 organizations.

We have three areas of focus for our global community investment and volunteering efforts: partnership with employees (working together as one team to have powerful impacts in the community), Responsible Care (supporting health, safety, environmental protection, and the wellness and sustainability of communities), and education (including scholarships, co-op opportunities, summer employment, and funding for research).

Our global teams volunteered their time and skills to help meet needs and support valuable projects in their communities. Our volunteer hours include time spent managing the volunteer activities as well as participation, in accordance with London Benchmark Guideline (LBG).



In **Shanghai, China**, the Methanex team matched a local donation to help underprivileged students in rural areas.



Methanex in **Chile** celebrated the 30th anniversary of fundraising activities for Jornadas por la Rehabilitación, a telethon that supports people with disabilities in the Magallanes region.



CAP-hosted self-defense workshop for women and girls in Trinidad



Methanex's team in **Geismar, USA**, along with many family members, took to the streets to raise funds for the St. Jude Run/Walk to end childhood cancer.



Methanex employees in **Dallas, Texas** built food kits, sorted clothing, and stocked shelves at a resource center for World Vision, an international humanitarian organization.



Medicine Hat, Canada's team built a replica of a local landmark—the Saamis Tepee—out of non-perishable food items as part of a competition and fundraiser for the local food bank.



In **Dallas, USA**, our team fundraised to support Camp Summit, a camp for children and adults with disabilities that Methanex supports every year, and helped to prepare the camp for its summer season.



For the fourth consecutive year, Methanex's team in **Damietta, Egypt** organized a medical caravan that provided free medical check-ups and medication to 550 local residents.



Our **Asia-Pacific** teams participated in initiatives to support education, health, safety, and environment; in Hong Kong, staff baked cookies with a group of autistic youth.



In **Taranaki, New Zealand**, team members cleaned up the beach from the Waitara River to the front of the Motunui site and planted trees to restore a native ecosystem.



Through the Mentoring our Children program, Methanex employees in **Trinidad** volunteered time and talent to mentor high-potential children from low-income families.



Employees in **Vancouver, Canada**, supported vulnerable children and youth during KidSafe's Break programs by serving breakfast, wrapping presents, and presenting at a career fair.



Our team in **Europe** volunteered their time to assist at a fundraising activity for Run to Walk Again, an association that helps people with disabilities stay healthy and active.

Summary of Responsible Care and Sustainability Indicators

	2014	2015	2016	2017
ENVIRONMENT	CARBON DIOXIDE (CO ₂) EMISSIONS			
	CO ₂ emissions manufacturing (scope 1) ¹	3,169,259 t	3,245,947 t	4,118,285 t
	CO ₂ emissions manufacturing (scope 2) ²	67,709 t	131,370 t	177,376 t
	CO ₂ emissions intensity manufacturing (scope 1) <i>tonne of CO₂ / tonne of methanol</i>	0.653	0.625	0.587
	CO ₂ emissions marine transportation (scope 1)	397,923 t	428,914 t	567,579 t
	CO ₂ emissions intensity marine transportation <i>kg of CO₂ / tonne of cargo shipped</i>	61.7	77.6	72.6
	ENERGY			
	Total energy use (excluding electricity)	226,303,331 GJ	222,201,248 GJ	292,556,200 GJ
	Total electricity use	229,460 MWh	277,437 MWh	411,800 MWh
	Electricity self-generated – nonrenewable	44%	20%	20%
	Electricity self-generated – renewable	2%	0%	0%
	Electricity purchased – nonrenewable	46%	65%	65%
	Electricity purchased – renewable	17%	15%	14%
	WATER			
	Total freshwater consumed	11,870,091 m ³	9,969,751 m ³	12,624,989 m ³
	WASTE			
WORKPLACE	Total weight of hazardous waste – disposed	101,934 kg	140,920 kg	48,646 kg
	Total weight of hazardous waste – recycled	8,438 kg	16,088 kg	59,595 kg
	Total weight of nonhazardous waste – disposed	497,312 kg	1,670,064 kg	1,809,966 kg
	Total weight of nonhazardous waste – recycled	361,948 kg	1,065,124 kg	1,464,681 kg
	SIGNIFICANT SPILLS			
	Methanol spill (serious)	0	0	0
	Methanol spill (major)	0	0	1
	Other spill – petroleum products or treatment chemicals (serious)	0	0	0
	Other spill – petroleum products or treatment chemicals (major)	0	0	0
	EMPLOYEE INJURY STATISTICS			
	Recordable injury frequency rate (RIFR) ³ <i>Number of recordable injuries / 200,000 hours worked</i>	0.28	0.46	0.47
	Recordable injury severity rate (RISR) ⁴ <i>Number of significant incidents / total incidents</i>	1.85	16.46	8.50
	GLOBAL EMPLOYEE STATISTICS			
	Total number of employees	1100	1300	1300
	Asia Pacific	4%	3%	4%
	Chile	9%	9%	10%
	Dallas	3%	3%	3%
	Egypt	13%	12%	11%
	Europe	3%	3%	3%
	Geismar	12%	13%	13%
	Medicine Hat	10%	10%	10%
	New Zealand	21%	22%	22%
	Trinidad	15%	15%	15%
	Vancouver	10%	10%	10%
	LENGTH OF EMPLOYEE SERVICE			
	< 1 yr	17%	11%	9%
	1–2 yrs	21%	25%	24%
	3–5 yrs	20%	21%	23%
	6–10 yrs	17%	25%	21%
	11–15 yrs	11%	5%	10%
	16–20 yrs	6%	5%	6%
	21–25 yrs	3%	2%	2%
	26+ years	5%	5%	5%
	EMPLOYEE GENERATION			
	Millennials (1981 or after)	27%	30%	34%
	Generation X (1966–1980)	48%	48%	48%
	Boomers (1946–1965)	25%	22%	19%
	Mature (1945 or prior)	0%	0.1%	0.2%
	EMPLOYEE GENDER			
	Female	26%	26%	27%
	Male	74%	74%	73%
	Females in Senior Management	2	2	2
	Females on the Board	2	4	3

¹ Scope 1 emissions are direct emissions from owned or controlled sources.

² Scope 2 emissions are indirect emissions from the generation of purchased energy.

³ Recordable injuries are incidents that require medical attention or that result in restricted work or lost time.

⁴ Recordable injury severity rate (RISR) describes the ratio of significant and potentially significant incidents compared to the total incidents reported.

For the complete version of our 2017 Responsible Care & Sustainability Report, please visit www.methanex.com/2017RCsustainability. If you have any questions or comments about this report or our Responsible Care and sustainability activities, **please contact us.**

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A RESPONSIBLE CARE® COMPANY

Methanex is the world's largest producer and supplier of methanol to major international markets in North America, Asia Pacific, Europe, and South America. Headquartered in Vancouver, Canada, Methanex currently operates production sites in Canada, Chile, Egypt, New Zealand, the United States, and Trinidad and Tobago. The company's global operations are supported by an extensive global supply chain of terminals, storage facilities, and the world's largest dedicated fleet of methanol ocean tankers. To learn more, visit us at www.methanex.com.

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