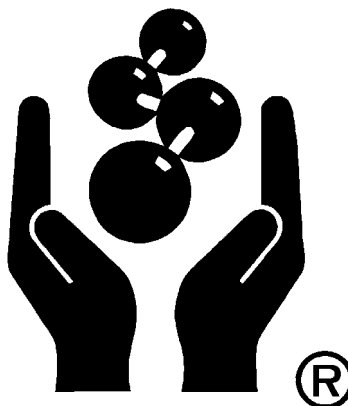


Canadian Chemical Producers' Association



Responsible Care® Re-verification 2005-08

of

Methanex Corporation

April-June, 2008

DISCLAIMER

This document has been produced by a team convened by the Canadian Chemical Producers' Association (CCPA) to provide guidance to the above company, as a member or partner of the association, in meeting its obligations under Responsible Care. The material in it reflects the team's best judgement in light of the information available to it at the time of preparation. It is the responsibility of the CCPA member or partner company which is the subject of this report to interpret and act on the findings and recommendations in this guidance document as it sees fit. Any use which a third party makes of this document, or any reliance on the document or decisions made based upon it, are the responsibility of such third parties. Although CCPA members and partners are expected to share the results of this guidance document with interested parties, the association, its member and partner companies, their employees, consultants and other participants involved in preparing the document accept no responsibility whatsoever for damages, if any, suffered by a third party as a result of decisions made or actions based on this report.

Responsible Care Re-verification: Methanex Corporation (Methanex)

EXECUTIVE SUMMARY AND TEAM CONCLUSIONS

A Responsible Care® re-verification for Methanex, was carried out between April and June, 2008 by a 1 to 3 member Canadian Chemical Producers' Association (CCPA) appointed Team, augmented by a local community representative.

The re-verification was conducted at the following company locations:

- | | |
|--------------------------------------|-----------------|
| ● Dallas, Texas, USA | April 3 & 4 |
| ● Santiago, Chile | April 7 & 11 |
| ● Punta Arenas, Chile | April 8,9 & 10 |
| ● Kitimat, BC, Canada | May 19, 20 & 21 |
| ● Vancouver, BC, Canada | May 22 & 23 |
| ● Point Lisas, Trinidad & Tobago | May 27 & 28 |
| ● Brussels, Belgium – teleconference | May 29 |
| ● Hong Kong, China – teleconference | June 24 |

The team lead is scheduled to visit the company's facility in New Zealand in November of this year and will issue an addendum to this report after the visit.

In Chile the team joined with members of the local chemistry association (ASIQUM) to conduct a joint assessment of the company's manufacturing facility in Punta Arenas, and in Trinidad & Tobago the team joined with the company's RC14001 registrar representative to jointly assess the company's Point Lisas manufacturing facility.

The decision-making and actions of Methanex. are clearly underpinned by the Responsible Care® ethic. The company's overall management system is self-healing, seeking to continuously improve, to identify deficiencies and will likely act to correct them in a timely manner.

The re-verification team is satisfied with the approach used by the company to apply and meet the requirements of the Responsible Care® ethic and management system. The re-verification process of Methanex. is now complete with the publication of this report.

The team recommends that CCPA officially recognize this re-verification with an award at the next suitable occasion.

Signed: Gerry Whitcombe Date: Sept 22, 2008
Team Leader

For more information on this or a previous re-verification or on the company's original report for verification of Responsible Care-in-Place, please contact your local company site or the company's overall Responsible Care coordinator:

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Summary of Findings, Opportunities Best Practices and Extra Miles

The addendum to this Executive Summary lists all **Findings Requiring Action**, *Opportunities For Improvement*, Best Practices and Extra Miles found in the body of the text. In all, the team recorded 9 findings and 27 Opportunities for Improvement. Progress on action to resolve the Findings will require follow-up at each Leadership Group Meeting, with the local CAP(s), in the company's annual CEO re-commitment to CCPA and, along with the decisions pertaining to the Opportunities, in the next Responsible Care re-verification. The wording of each Finding Requiring Action, Opportunity and other comments found in this Executive Summary is identical to the wording used in the body of the report to avoid any possible misunderstanding of the team's intent.

The team visited a variety of locations and met (in person, or by phone) with a broad mix of people. The Findings Requiring Action, Opportunities For Improvement and Best Practices and Extra Miles are representative of only a sampling of the company and except where explicitly stated we do not wish to indicate that the particular finding, opportunity or best practice is applicable to other than where it was found. In past re-verifications the company had generalized these observations where possible and had applied them to the entire organization. We strongly encourage the company to continue this practice.

Findings Requiring Action

It is a finding requiring action that there is not a formal cross reference between the 151 elements of the Codes of Practice and relevant company systems. This cross-reference must demonstrate that the 151 elements are being addressed at the corporate and regional and site levels. _____	15
It is a finding requiring action that the Dallas Marketing & Logistics location did not complete its internal audit as per their audit schedule. _____	16
It is a finding requiring action that there is no formal Responsible Care management system in place at the Santiago M&L headquarters covering Responsible Care implementation in Latin America M&L. _____	17
It is a finding requiring action that contracted external laboratories must comply with the requirements of the Research and Development Code of Practice. _____	18
It is a finding requiring action that methanol consignment terminals be subject to the same requirements placed on supply terminals. _____	25
It is a finding requiring action that the corporate “Global Security Management Standard: CR4RC175” has not been fully adhered to in respect of vulnerability assessments of all Methanex facilities. _____	28
It is a finding requiring action that the tested eyewash station in Punta Arenas did not immediately deliver tempered water. _____	31
It is a finding requiring action that Methanex at the corporate level document its management system for the Community Awareness component of the CAER code. _____	38
It is a finding requiring action that a community dialogue process is not in place for the company's Newcastle pipeline operation. _____	38

Opportunity For Improvement

<i>There is an opportunity for improvement in Methanex Trinidad to include Responsible Care instruction in the orientation and training for security contract personnel. _____</i>	13
<i>There is an opportunity for improvement to include senior representation from the Responsible Care organization in the Global Marketing & Logistics Team. _____</i>	15
<i>There is an opportunity for improvement to review, on a regular basis, the guidance given in the “Responsible Care Framework (CR2RC201)” document to ensure all functions have available to them relevant and up-to-date Responsible Care requirements. _____</i>	15
<i>There is an opportunity for improvement to ensure that all aspects of corporate standard “Global Security Management Standard: CR4RC175” in respect of vulnerability assessments of all Methanex facilities are adequately incorporated within the corporate Level I audit protocol. _____</i>	16
<i>There is an opportunity for improvement to broaden the accountability for Responsible Care to all North America M&L employees and away from the local M&L RC Manager. _____</i>	17
<i>There is an opportunity for improvement to ensure that critical Responsible Care roles are documented to ensure sustainability as jobs change. _____</i>	17

<i>There is an opportunity for improvement for Corporate Responsible Care to set expectations for each region to maintain listings of local applicable laws and regulations as well as to identify country/site responsible persons.</i>	20
<i>There is an opportunity for improvement to ensure all parts of the organization have the appropriate tools or the proper training to perform root cause analysis.</i>	22
<i>The team encourages Methanex to implement its plan to adopt an automatic reminder process for overdue corrective actions in its incident management system.</i>	22
<i>The team encourages Methanex Trinidad to complete its initiative on addressing safety concerns arising from an increase in incidents in 2007 over 2006.</i>	22
<i>There is an opportunity for improvement to categorize rail car leaks by rail car vendor and barge leaks by company, craft and master to further hone in on potential root causes of the incidents.</i>	23
<i>The team encourages Methanex Trinidad to complete its Safety Integrity Level process by 2009 as planned.</i>	24
<i>The team encourages Methanex to complete its revision of the management of change process to include people and organizational change.</i>	24
<i>There is an opportunity for improvement to review all commercial contracts that contain a Responsible Care clause to ensure its meaning is clearly understandable by all parties and represents a measurable expectation of customers and service providers.</i>	25
<i>There is an opportunity for improvement to write a terminals qualification process guided by the existing Terminals Guidelines (which incorporate Responsible Care expectations) and ensure the resultant package is linked to Responsible Care clauses in contracts.</i>	26
<i>There is an opportunity for a procedural improvement in continental Europe to ensure all new customers are visited prior to first delivery.</i>	26
<i>The team encourages Methanex Trinidad to complete its action plan on the findings from its Safety Vulnerability Assessments, as planned.</i>	27
<i>There is an opportunity for improvement in the Santiago office to review office capability to respond immediately to events threatening life and limb.</i>	28
<i>There is an opportunity for improvement for Methanex to ensure that meeting the ACC requirements for environmental management also meet CCPA expectations (e.g. the Trinidad TT1RC04 Environmental Policy refers to ACC requirements.)</i>	29
<i>There is an opportunity for improvement in Punta Arenas to encourage employees to become trained in first aid and be able to provide immediate aid while the paramedics are in transit.</i>	31
<i>There is an opportunity for improvement to create a corporate excellence team for safety and health in the style of the Environmental Excellence Team .</i>	32
<i>There is an opportunity for improvement to communicate with selected hospitals on the hazards to people and treatment options for methanol poisoning.</i>	33
<i>There is an opportunity for improvement for Methanex Trinidad to update its risk communication information, as needed, as a result of its QRA updates and communicate this revised information to its community of concern. In addition, risk communication should be done periodically whether or not there is revised risk information.</i>	33
<i>There is an opportunity for improvement for the Dallas Marketing and Logistics office to implement a program to ensure that a qualified motor carrier is in place to handle emergency</i>	

<i>methanol shipments.</i>	36
<i>The team encourages Methanex Trinidad to pursue its attempt to revive the community affairs group in its industrial estate.</i>	38
<i>There is an opportunity for improvement for Methanex Trinidad to promote community dialogue by the other member companies of the industrial estate.</i>	38
<i>There is an opportunity for improvement to ensure that industrial park community dialogue programs meet the company's Responsible Care dialogue requirements.</i>	38

Best Practices / Extra Miles

<u>The Responsible Care Committee of the Board of Directors is a best practice.</u>	14
<u>The organization of the global Responsible Care Team under a documented formal mandate is an industry best practice.</u>	14
<u>The opportunity for all employees to join in on Global Manufacturing Team teleconferences is a best practice.</u>	15
<u>Developing strategies for setting unit operating rates in Punta Arenas is a demonstration of going the extra mile.</u>	24
<u>The company's Marketing & Logistics Responsible Care® Standard is an industry best practice.</u>	25
<u>The dedication to safety in the supply chain as demonstrated by Methanex Chile is a best practice.</u>	27
<u>The Punta Arenas paramedic/medical facility is a demonstration of going the extra mile.</u>	31
<u>It is a best practice that Methanex Trinidad is assessing the effectiveness of some of its social responsibility initiatives.</u>	35

INTRODUCTION AND OVERVIEW

1a) The Company

This is the report by the verification team on those operations of Methanex Corporation which are covered by the company's commitment to the Responsible Care initiative of the Canadian Chemical Producers' Association. A description of the company in Canada and which operations are covered by this report can be found in Appendix 1.

1b) Responsible Care

Responsible Care is an initiative of the Canadian Chemical Producers' Association (CCPA) by which the association's members and partners commit to be, and to be seen as, responsible companies within Canadian society. It is based on an ethical approach to the safe and environmentally sound management of chemicals – an approach which started in Canada but has since spread to over 45 countries around the world.

The Responsible Care Ethic:

*We are committed to do the right thing and be seen to do the right thing.
We are guided towards environmental, societal, and economic sustainability by the following principles:*

- We are stewards of our products and services during their life cycles in order to protect people and the environment.*
- We are accountable to the public, who have the right to understand the risks and benefits of what we do and to have their input heard.*
- We respect all people.*
- We work together to improve continuously.*
- We work for effective laws and standards, and will meet or exceed them in letter and spirit.*
- We inspire others to commit themselves to the principles of Responsible Care.*

The ethic is supported in Canada by six codes of practice covering relations with the communities where members' facilities are located and also responsible management throughout the product life cycle. Information on these codes of practice and related activities is available from company personnel listed in Appendix 2 of this report, or via the CCPA web site www.ccpa.ca (click on the "Who we are" tab for Responsible Care).

1c) Expectations of CCPA members and partners

Each CCPA member or partner company must formally commit to the ethic, principles and codes of practice of Responsible Care as a condition of membership in the association.

Progress in implementing these obligations must then be reported to CCPA, both to peers at special networking meetings and also via a formal reporting system to the association. Three years is the typical time allowed to new members for implementation. The association monitors progress and follows up by arranging for assistance where necessary to ensure that each company eventually meets its commitment.

When a company considers that its management processes are sufficiently comprehensive that they meet each of the 151 individual code requirements, it advises the association that implementation is complete to the stage of “Responsible Care-in-Place”. Completion in this sense does not imply that nothing further needs to be done, but that a key milestone has been reached in a process of continuous improvement.

1d) Verification

A company’s declaration that the expectations of Responsible Care are being met is an important first step in the verification process, which leads to confirmation and recognition of this by a team of industry and public representatives. Verification is conducted to strict protocols, developed by the association’s members and others including several critics of the chemical industry and its operations. The first verification takes place when the company first states that its performance meets the expected level (*Responsible Care-in-Place*). This verification is designed to confirm, for the company’s peers in CCPA and the public, the existence of a company wide ethic and management systems which ensure that the principles and codes of practice of Responsible Care are not only in place but are also practised and continuously improved within the organization.

Subsequent verifications are also conducted using a different protocol, approximately every three years after formal acceptance of the first verification, to ensure that the ethic and management systems of Responsible Care are firmly rooted in all the company’s operations. This is known as *ongoing re-verification*.

Each verification is conducted by a team consisting of:

- knowledgeable industry experts with experience in Responsible Care;
- a representative of the public at large (usually with a public interest background and with experience in Responsible Care gained from serving on the CCPA’s national advisory panel) and
- one or more representatives of the local communities where the company’s facilities are located.

1d) i) Verification of Responsible Care-in-Place

For the purposes of this examination, a portion of the 151 code requirements is sampled in depth. These items are grouped into seventeen management systems, each of which is examined using a series of questions. Some of the questions are sent to the company in advance of the verification visit, so that supporting documentation, etc. can be available for prompt examination if desired. Additional questions are asked at the discretion of the team during the visit.

The approach is “top-down” rather than the “bottom-up” used in conventional audits, and the style of questions is intentionally open-ended, so that the answer cannot be a simple yes/no but calls for explanation. The questioning process starts with the executive responsible for chemical operations in Canada, and works down through the organization

to examine the senior level intent and the corresponding support by action at the operating level.

Questions are generally of the following nature:

- does the organization have an effective management system in place to ensure understanding of Responsible Care?
- what is the process to determine and communicate the acceptable level of performance?
- what is the process for assessing the performance of the system and effecting follow-up to meet or exceed the acceptable level of performance?
- what is the process for ensuring up-to-date documentation?
- do sufficient resources appear to be, or are thought by employees to be, in place?

The findings are summarized in a report which highlights:

- actions required by the team before they consider the company meets the expectations of Responsible Care;
- opportunities for improvement, which are recommended but not mandatory;
- recognition of any exemplary practices of the company which could be a model for other CCPA members.

The report is given to the company and CCPA, and the company is expected to share the report with interested persons in its communities as part of its dialogue process. If the team considers that actions are required before sign-off, they will arrange for follow-up to confirm that these are complete, and advise the company and CCPA in writing when these have been met to their satisfaction.

Responsible Care-in-Place verification of Methanex Corporation,

Company Name at the time: Methanex Corporation,

Date of "In-Place" verification (visit): November 12-22, 1996 and March 1997

Locations visited: Vancouver, Kitimat and Medicine Hat in Canada; Auckland and New Plymouth in New Zealand and Santiago and Punta Arenas in Chile.

Team follow-up needed: No

Date of final sign-off: September 10, 1997

This Responsible Care-in-Place verification report is available from the contact at the company from whom you accessed this report, or from the company contact shown on page 3 of this re-verification report.

1d) ii) Re-verification

Approximately every three years after team acceptance of Responsible Care-in-Place, the CCPA schedules further verifications using a modified approach. The team is similar to that for the original verification, with at least one team member from the previous verification but a different leader.

In re-verification the team probes more deeply to examine how well the ethical basis of Responsible Care is understood and adopted within the company, and also how effective are the company's management systems in applying the ethical principles throughout the company's operations. This involves not only whether the company intends to do the right things, but also how it monitors activities and results and takes corrective action when deviations occur (often referred to as the Plan-Do-Check-Act parts of the management

system).

For re-verification the company is given a more comprehensive list of documentation the team will need to see. Part of this must be sent to the team so they can study it in advance. The questioning process is also more open, in that the team does not have to cover every topic in depth but can probe where they feel it is most relevant for that individual company, plus any areas where the company itself would like feedback on its performance.

After studying the information the team meets with the company to plan the visit stage of the verification, at which a schedule is agreed covering people the team wishes to interview in depth during the subsequent visit stage of the verification process. Most of these will be company personnel, but some will be representatives of organizations with which the company has business relationships – customers, transporters, etc. – and of local communities where plants, etc. are located.

The team examines to determine how strongly the Responsible Care ethic appears to be part of the company's way of doing business, including awareness of Responsible Care and its implications among the company's employees. The examination then progresses into a broad-ranging review of the company's management systems for Responsible Care, with a special investigation into certain topics highlighted by CCPA in the verification protocol.

The team looks at how effectively the company's management systems ensure that Responsible Care principles and code obligations continue to be met, as established in the initial Responsible Care-in-place verification. In subsequent verifications, however, the questioning process also considers how the company tracks and improves its performance regarding these obligations, including how performance measures are established and targets met (what is measured, what are the goals and how are they achieved). Actions taken on concerns, suggestions and recommendations raised in the last verification report are examined, as are significant issues and incidents that have arisen since the previous verification. The team then looks at how the company shared the results of this verification with the local community, and examines how robust the ongoing process of community dialogue appears to be and how issues and concerns are being identified and addressed.

The highlighted topics of special focus are ones where the feedback from the verification process and from the association's members has suggested the value of a closer examination of the general membership performance and comparison with the intent of the codes of practice. This does not necessarily imply that any given company is not performing well, but reveals the range of performance and identifies both cases where some improvement is recommended and also examples from which others can learn.

The highlighted topics include community dialogue, process safety management, site emergency preparedness and response, security regarding malicious threats that could impact public safety or well-being, health effects of products and plant emissions, the impact of plant emissions on the environment, product stewardship and "TransCAER" outreach. Although CCPA has no defined performance expectations for broader social responsibility, the team also looks at how the company sees and fulfills its role in this area. The team may also comment on other specific topics where the company has

requested feedback.

Most recent previous Re-verification of Methanex.

Date of verification visits: March 29 – May 27, 2004

Locations visited: Vancouver and Kitimat in Canada; Dallas, Texas and St. Rose, Louisiana in the USA; Santiago and Punta Arenas in Chile; Auckland and New Plymouth in New Zealand; Brussels in Belgium and Rotterdam in The Netherlands.

Team follow-up needed: No

Date of final sign-off: September 30, 2004

The report below presents the findings of the team from this re-verification of Methanex Corporation. The report does not address all aspects of Responsible Care, as this was covered by the report of the original Responsible Care-in-Place verification. Instead, it focuses more on the items where the team felt there was an opportunity or need for improvement, plus any improvements or practices which are so significant that they should be shared with other CCPA members and partners as possible examples.

For more context or explanation of any of the items below, please get in touch with the contact at the company from whom you accessed this report.

2. General Findings of the Team

2a) Statement on the Ethic

Throughout the interview process the team checked for evidence that the Responsible Care ethic was visible and at work in the company, guiding the company's judgment, decisions and actions.

Team Findings:

The Responsible Care ethic is well understood and guides the actions and decisions of virtually all company employees. All Manufacturing and Marketing & Logistics operations demonstrated a marked improvement in the understanding and commitment and throughout the company the ethic plays a paramount role in plans for the future, some of which are presented below.

The company takes every opportunity to promote the Responsible Care brand and recently Methanex Asia Pacific signed onto a China Responsible Care Manifesto launched by the Association of International Chemical Manufacturers (AICM) in Beijing in May of 2008.

A rapidly developing industry is the manufacture of biodiesel fuels in which methanol plays a critical role. The company has recognized that there are not the normal entry level barriers to beginning a business in this area and has taken a very aggressive stance on delivering the message about the hazards of methanol to these customers. With the larger customers who are entering this sector the company actively pursues promoting Responsible Care as was shown when the company's President and CEO and local executives met with a biodiesel manufacturer in France (Diester). The company's general manager, who is also chairman of the BioDiesel Board (their industry association) invited Methanex to make a Responsible

Care presentation to the association.

The ethic plays a strong role in the company's growth plans as was recently shown by the Egyptian governments' choice of Methanex as a partner in their most recent methanol manufacturing venture in Egypt, where the company's strong ethical commitment to Responsible Care was cited. The company is negotiating a major gas contract with the Chilean government for which, while the company will not have management control, it has made a request that half of their contingent be Responsible Care oriented.

2b) Employee Awareness

The team checked for general awareness and understanding of Responsible Care through employees interviews including members of the Joint Health and Safety Committees (JH&SC) and during plant tours.

Team Findings:

The team found an industry-leading understanding of Responsible Care throughout all of the visited Methanex sites. The Responsible Care 'brand' is prominently displayed throughout the organization including business cards (shown below):



Responsible Care has been successfully inculcated into the organization such that it is referenced routinely and frequently at meetings, gatherings and in general discussions. It was obvious to the team that it guides decision making and continuous improvement. It was also apparent that employees understood and recognized the personal value of Responsible Care and the team was impressed that this was also the case outside of the North America culture.

The company uses several publications to inform employees and the general public. The primary vehicle for external communications about Responsible Care is an excellent annual Responsible Care and Corporate Social Responsibility Report.

Internally the company publishes a three times a year newsletter titled "Methanex Today". This comprehensive review of initiatives and activities from around the world brings excellent focus to Responsible Care and Social Responsibility in a very readable, positive format.

The company uses a Personnel Engagement Survey on a three year cycle to assess perceptions from personnel on how the management systems are performing. Responsible Care is a survey topic and employee response has been very positive.

The corporate standard and corporate office practice is for all employees to be given a Responsible Care and Office Health and Safety orientation. This is followed up by a more comprehensive training session (RC 101) normally given to employees within their first year of employment. The requirement for Responsible Care initial and follow up training extends to all other offices and manufacturing facilities and the team found that to be the case. However, the team felt that this training should be extended to cover contract employees.

There is an opportunity for improvement in Methanex Trinidad to include Responsible Care instruction in the orientation and training for security contract personnel.

2c) Overall Responsible Care Management System

It is a requirement of Responsible Care that companies have documented, sound management systems capable of ensuring that all operations of the company across all business units, functions and sites meet the ethic, codes of practice and other expectations of Responsible Care on an ongoing basis. A sound management system drives continuous improvement, and has the following attributes:

Plan	Do
<ul style="list-style-type: none"> • review code requirements • benchmark best practices • get input from stakeholders • decide on best approach • set targets for performance • assign responsibility 	<ul style="list-style-type: none"> • document • train people • assign resources • carry out activities
Check	Act
<ul style="list-style-type: none"> • audit • measure performance of system • measure performance from system • obtain stakeholders' feedback • assess employees' performance 	<ul style="list-style-type: none"> • follow-up on audit findings • communicate performance, get feedback • reward or correct employees • repeat Plan steps

There must be such management systems both for the overall management of the company and for each code element. This section covers the team's findings with respect to this overall management system, and section 3 below covers the specific code elements that were reviewed in the re-verification.

Team Findings:

Company

The team found the company to have an exemplary Responsible Care Management system. It begins with a rock-solid, highly visible commitment to Responsible Care by the board and CEO and extends to all the office and plant workers who, throughout our visits, demonstrated outstanding awareness of and commitment to the brand that is Responsible Care. This culture surrounding Responsible Care allow the mechanisms or systems for implementing, managing, correcting and improving the components of Responsible Care to function at a very high level throughout the company. The CEO feels the company is now in a place where Responsible Care is deeply ingrained into the culture and there is little to do in way of education as employees largely care about health, safety, the environment and their community. He feels there is a lot of employee satisfaction for the respect the company shows all of its stakeholders.

The commitment begins with the Board or Directors where there is a Responsible Care Committee (in place since the formation of the company). This committee meets at least semi-annually and conducts an annual review of Responsible Care. Board member vacancies are filled through the use of a process involving a "Board skill matrix". The Board itself meets six times per year: at each meeting a senior executive will always give a Responsible Care presentation.

The Responsible Care Committee of the Board of Directors is a best practice.

The systems continue with the Executive Leadership Committee, chaired by the President and CEO, where Responsible Care is formally represented by the Senior Vice President, Corporate Resources who is the signing executive to the CCPA for Responsible Care. This group meets 8 times per year (5 meetings face-to-face) and Responsible Care is always the first presentation.

Reporting into the Corporate Resources Department is the global Responsible Care organization. Within this organization are the global resources for Responsible Care; namely, environment, health and safety. The Senior Vice President, Corporate Resources sponsors the Global Responsible Care Team. This team has a documented formal mandate ("Global Responsible Care Team Mandate: CR3RC200"). The purpose, responsibilities and team procedures (including team make-up) are all clearly delineated and it is an excellent example of an empowering system.

The organization of the global Responsible Care Team under a documented formal mandate is an industry best practice.

The GRCT conducts monthly conference calls and holds semi-annual face-to-face meetings (the sites are rotated around the world) at which the Senior Vice President, Corporate Resources participates in order to emphasize the corporate commitment with all GRCT members. It is his expectation that the highest Responsible Care standard will be taken to all geographies. The team monitors and reports on Responsible Care activities and progress to the Senior Management Responsible Care & Public Policy Committee (SMRCPPC) which, in turn, provides Responsible Care reports to the Board Responsible Care Committee.

Also a part of the Corporate Resources organization is the global Human Resource department. It is through this organization that the company ensures that Responsible Care is a part of every employee's Performance Management document.

The Global Manufacturing Team (GMT) drives Responsible Care throughout its organization and brings together senior manufacturing leaders from all facilities and includes a Responsible Care seat. Each manufacturing location has a senior Responsible Care position, with a seat on the site management team.

The company promotes an enabling environment and this is demonstrated in the operation of the GMT. The team is made up of plant managers and guests, meeting quarterly with one face-to-face meeting per year. The meeting minutes are on the internet and people are encouraged to comment. That, in itself, is empowering, but the team also allows any employee to join in on the teleconferences, if they choose, just to listen in.

The opportunity for all employees to join in on Global Manufacturing Team teleconferences is a best practice.

The Global Marketing and Logistics organization has chosen to use Responsible Care resources in a more consultative manner and does not have senior Responsible Care representation on their Global or Regional teams. The team feels that some issues, reported later in this report, might have been avoided had a senior Responsible Care perspective been available during initial decision making or ongoing discussions about activities.

There is an opportunity for improvement to include senior representation from the Responsible Care organization in the Global Marketing & Logistics Team.

The company has excellent documentation of its Responsible Care system. Located in the "Methanex Corporate Manual" under the "Corporate Governance" section it begins with a "Responsible Care Policy (CG1CP010)" and a "Corporate Social Responsibility Policy (CG1CP026)" leading to a "Responsible Care Framework (CR2RC201)" within which the CCPA Codes of Practice have been internalized.

However, the company does not utilize code coordinators and depends on the "Framework" document as the underpinnings of Responsible Care. There is no formal cross reference between the codes of practice and internal company requirements. Later in the report, situations where the team felt the company had missed an opportunity (or a requirement) to apply the codes are described. It might be that an ongoing assessment of section 4.5 ("Responsible Care Codes – What to Accomplish") of the "Framework" document should be conducted to ensure that the guidance given for each code is appropriate relative to the nature of business in which the company engages. (The situations described above relate to methanol on consignment and to the procurement of research and laboratory services.)

It is a finding requiring action that there is not a formal cross reference between the 151 elements of the Codes of Practice and relevant company systems. This cross-reference must demonstrate that the 151 elements are being addressed at the corporate and regional and site levels.

There is an opportunity for improvement to review, on a regular basis, the guidance given in the "Responsible Care Framework (CR2RC201)" document to ensure all functions have available to them relevant and up-to-date Responsible Care requirements.

The annual attestation sign-off the Senior Vice President, Corporate Resources is not a Methanex Responsible Care Re-Verification 2008

formal process. The decision to sign is based on the accumulation of a year's worth of data and information related to Responsible Care through frequent interactions with the President and CEO (including RITs (Responsibilities, Indicators and Targets) and performance reviews), formal interactions with the GRCT, the ongoing preparation for Board meetings, annual travel to all sites and to being on the Board of the Atlas operation.

All company employees must have written performance goals (RITS), some of which must be related to Responsible Care. The company has a global electronic system to manage RITs and each and every company employees can view the RITs of any other employee.

The management systems are supported by a corporate "Internal Audit Program" (CR2RC010) administered by the Global Responsible Care Team. Implemented in 2003 it consists of a 3 year audit cycle for all plants, facilities and offices that includes a series of intra-location audits (Level 2) conducted continuously within the 3 year cycle, a year 2 inter-location (Level 1) audit and a year 3 external audit (CCPA re-verification). The Level 1 and 2 audits are based on new protocols and are comprehensive.

Dallas has seen some deterioration in their conformance to their ACC RCMS specification and recently missed the scheduled date for an audit.

It is a finding requiring action that the Dallas Marketing & Logistics location did not complete its internal audit as per their audit schedule.

In addition to the internal audit program, the company has a corporate requirement to "evaluate every new customer, carrier, terminal operator, vessel agent or surveyor in order to determine the company's stratus with regard to Responsible Care programs or practices". In addition, field evaluations of surveyors are carried out every three or five years and contracted terminals and consignment locations must be evaluated using the Chemical Distribution Institute – Terminal (CDI-T) process.

The team noted that the corporate security standard required vulnerability assessments to be completed on all facilities (which was defined to include offices). We have included a finding later in this report on not conforming to this standard. We feel the audit protocol should be altered to ensure that this aspect of the standard is audited for.

There is an opportunity for improvement to ensure that all aspects of corporate standard "Global Security Management Standard: CR4RC175" in respect of vulnerability assessments of all Methanex facilities are adequately incorporated within the corporate Level I audit protocol.

Marketing and Logistics (M&L) Regions

Requirements for the regions in the form of standards are found in the Methanex Corporate Manual. The "Marketing & Logistics Responsible Care Standard (CL2MK013)" lays out responsibilities, applicability, (notably) the Plan-Do-Check-Act cycle requirements and program elements for each M&L organization from a corporate perspective. The corporate vision is to have Responsible Care as an overall umbrella for their organization.

This corporate framework spawns localized versions of the program and has led to a very strong implementation of Responsible Care. The team reviewed implementation of this standard in Dallas and Santiago in person and in Hong Kong and Brussels by teleconference.

North America M&L

In the North America M&L region, headquartered in Dallas, implementation is under the American Chemistry Council's (ACC) Responsible Care Management System (RCMS), Technical Specification RC101.02. The system is documented and well implemented by the Responsible Care manager but it appears to be implemented by and for the RC department: others in the organization use it as a technical resource. The team encourages the RC manager to continue spreading Responsible Care accountability to all levels in the M&L organization. The team found in several instances, (as examples) when asked questions related to the number of incidents or technical details in their area of responsibility, employees would defer to the Responsible Care Manager.

There is an opportunity for improvement to broaden the accountability for Responsible Care to all North America M&L employees and away from the local M&L RC Manager.

North America M&L management recognized they were having some difficulty with Responsible Care and made some personnel changes by bringing in the corporate Responsible Care resource to refocus the North America M&L program. The team observed evidence of a turn around and are confident improvements will continue. Because this location is certified under ACCs RCMS it conducts additional related internal audits and must undergo an audit from the ACC every 3 years, the last one having been conducted in 2006.

Latin America M&L

The Latin America region system is governed by "Lista Maestra De Procedimientos – Comercial". They lack a formal management system for Responsible Care and instead have procedures covering their corporate and Responsible Care requirements.

It is a finding requiring action that there is no formal Responsible Care management system in place at the Santiago M&L headquarters covering Responsible Care implementation in Latin America M&L.

They develop an annual Responsible Care plan based on direction from the global Responsible Care plan. Their standards and procedures cover their interactions with their customers and service suppliers; the only terminal they use is at the manufacturing facility in Punta Arenas.

There is a realization in the region that they must leverage global effort and resist too much localization, a real challenge with language barriers.

The Santiago office has a Responsible Care committee and is active in safety and ergonomic activities. The ethic of Responsible Care is clearly entrenched within this employee group both as it affects their day-to-day office work and how they bring the ethic to the folks they interact with outside of the company. The office Responsible Care coordinator has built a good program but the Responsible Care aspects of his job have not been documented.

There is an opportunity for improvement to ensure that critical Responsible Care roles are documented to ensure sustainability as jobs change.

The Latin America M&L organization is very involved in developing new markets for its methanol. As it explores new opportunities for its product it has engaged the services of experts, notably from Universities. As is their standard practice they have ensured that Responsible Care is in all of the contracts they sign. We would point out that under CCPA Methanex Responsible Care Re-Verification 2008

Responsible Care external laboratories come under the Research and Development Code of Practice and the contracted work needs to comply with this code. In a similar vein the laboratory analysis conducted by a contracted surveyor would also come under this code as outlined in the CCPA document titled "RESEARCH & DEVELOPMENT CODE OF PRACTICE CONTRACT LABORATORIES IMPLEMENTATION AID". The team fully acknowledges Methanex's program in dealing with its surveyors and would encourage the use of the referenced document as an element of the periodic review of the protocol used with contracted labs.

It is a finding requiring action that contracted external laboratories must comply with the requirements of the Research and Development Code of Practice.

Asia/Pacific M&L

In the Asia/Pacific area the systems document for Responsible Care is the "Responsible Care Management System: AP2RC002" and it and the other supporting standards are directly aligned with the corporate standard mentioned above. Responsible Care is always the first topic discussed at monthly management meetings where previous and future activities are discussed as well as progress towards completing the annual plan. All employees KPIs (key performance indicators) are discussed quarterly with management and there are regular reviews of all inter and intra regional audits. The recent move of regional headquarters to Hong Kong has been an exercise of responding to rapid growth tempered by caution. Management is very aware that they need everyone fully engaged, primarily due to the size, diversity and aforementioned rapid growth of the area. They are confident in their direction and feel they rank at the top of their peer group. Most of their regional competitors are not ACC members and the baseline benchmarks are still fairly low. Their big customers do have Responsible Care type programs and the goal is for the company to move forward by bringing their partners with them.

Europe M&L

In Europe the M&L organization has one management system under their quality system and their "Responsible Care Management System: EU3RC01". Both systems are documented to facilitate auditing and ease implementation and maintenance. A Responsible Care plan is developed annually and in concert with the global plans. The Responsible Care plan/do/check/act cycle resides largely with the Responsible Care manager and it is run with direct input from European management and is ultimately vetted by the global M&L Responsible Care team.

Waterfront Shipping

In Vancouver, the team was given a presentation by Waterfront Shipping to outline the depth to which they must go to comply with the world wide regulations governing ocean shipments. This was largely in response to what was felt to be a lack of understanding in prior re-verifications on what it takes to run a global marine shipping organization. The team found that all expectations opposite the selection and ongoing assessment of their carriers were being met if not exceeded. The preparation and dissemination of methanol handling information (Methanol Safe Handling Video) for ship's crews was very impressive. No less so was the selection of a former ship's captain as the Responsible Care Manager for the group.

Manufacturing

The manufacturing organization is driven by the “Responsible Care Framework” mentioned above. This corporate document spawns localized implementation and the team reviewed the implementations in Punta Arenas, Chile, Point Lisas in Trinidad & Tobago and the Kitimat terminal in British Columbia. The team found that all site managers were very involved with overseeing operations including promotion of the Responsible Care ethic.

Punta Arenas, Chile

In Punta Arenas the system is described and controlled under the site's ISO 9002 certification with the following two lists describing the higher level documents: “Lista Maestra Políticas Conducta Responsable” and “Lista Maestra De Procedimientos” - “Departamento de Conducta Responsable”

A sound Plan/Do/Check/Act is in place satisfying corporate and ISO requirements and a sound planning component considers incident reports and investigations, audits, input from safety meetings and continuous improvement suggestions, corporate direction and regulation. Each employee has defined responsibilities, performance indicators and targets and the performance award system rewards employees who demonstrate a high degree of completion of stated goals. Local management is totally engaged in promoting Responsible Care and extra time has been spent during plant turn-arounds just dropping in, having coffee and talking up Responsible Care.

Point Lisas, Trinidad & Tobago

In Point Lisas the management system is described and controlled under the site's RC14001 certification (November 2007). The system is appropriately documented and contains all aspects of the CCPA's plan/do/check/act requirements. The team observed a highly motivated work force and an adaptive system in operation, and was impressed by the site manager's response to an unacceptable contractor safety trend.

Kitimat, Canada

The Kitimat terminal is managed under its new “Responsible Care System: MG.RC.SYS.01” management system. There has been a lot of turmoil at the site as they have migrated from a manufacturing operation to a methanol supply terminal operation (for Methanex) and to a general terminal operation for their client, EnCana. The focus of the past several years has been to safely manage the assets and eventually transfer the assets to EnCana with whom they have a facility sales agreement that will be executed by 2011 or sooner. The facility still reports into the Manufacturing organization although it now functions as an M&L facility.

Their last audit pointed out deficiencies and since then staff has been brought in and there has been some personnel reassignment. The situation they found themselves in was largely due to transition under-staffing (due in large part to staff leaving for other opportunities) and resulted in an increase in workload and potential exposure to incidents for existing staff. The team felt that for a change of such magnitude an organizational change risk management analysis should have been done and the team has, in the Process Safety section of this report, made a recommendation that the company enhance its management of change

process to include this vital feature.

In undergoing the transition the site discovered that the roles played by various employees were not completely defined or had been improperly assigned (e.g. the Terminal Manager was the default 'doing' person in procedures that were re-written from manufacturing to terminal operation). In addition, there was no guidance on which laws and regulations applied nor was there a corporate system that could give assistance. The company position is that the site is better equipped to handle these issues. This is a complex and complicated issue, but it can result in wasted effort or the possibility of regulatory non compliance as the terminal discovers what it needs to do to operate and comply. The first issue should be handled under an organizational management of change; the second could be facilitated by corporate oversight of the hierarchy of laws and regulations in each country where the company does business.

There is an opportunity for improvement for Corporate Responsible Care to set expectations for each region to maintain listings of local applicable laws and regulations as well as to identify country/site responsible persons.

The team felt that the current operations team, in spite of the current challenges, is totally committed to the Responsible Care ethic and have a desire to ensure the facility is among the best when the ultimate transfer to EnCana occurs. This includes the commitment to maintain the community dialogue process, if possible, despite the fact that it is not a normal EnCana requirement or activity.

2d) Follow-up on Previous Verification Report Findings, Recommendations, etc.

The team reviewed how the company addressed the findings requiring action and opportunities for improvement cited by the previous verification team in their report to the company. Certain follow-up items are covered in the specific topics below.

Team Findings:

The company has shared the previous re-verification report with the community advisory panels (CAP, PAC in Chile) at each of its manufacturing sites.

The findings and opportunities from the previous re-verification were entered into a "Re-verification Global Action Matrix" by the Corporate Responsible Care Department. They were then categorized by applicability and assigned to Corporate, Manufacturing, Marketing and Logistics or under a Global category, applicable to all.

All assigned findings and opportunities were reviewed on a regular basis by the assigned function/business unit and overall progress was monitored by the Global Responsible Care Team.

All findings and opportunities from the previous re-verification have been appropriately dealt with.

2e) Response to Incidents and Concerns since the last Verification

Since the way in which unplanned situations are handled shows the influence of the Responsible Care ethic and responsiveness of the management system, the team looked at the issues, incidents and concerns that have arisen since the last verification and how the company has handled them. Some of these may be covered under individual topics below, as noted.

Team Findings:

The company has an excellent, comprehensive standard for handling issues, incidents and concerns (Corporate Incident Reporting Standard, CM2GN021).

The company broadly defines incidents as follows:

“An uncontrolled or undesired event which reasonably had the potential to, or did endanger people, damage or devalue property, cause loss of production or productivity, result in a non-conformance to the Company's quality systems, cause a breach of a legislative requirement, or impact on the environment or the Company's image.”

It categorizes incidents under five broad categories, Safety & Health, Environment, Security, Loss Prevention and Quality and provides further subdivision within these major groupings. All incidents are assigned a severity (minor, serious, potential major or major) and major and serious incidents are required to be quickly reported to specified senior executives.

All incidents are entered into an electronic system (PeopleSoft Incident Management System) and all manufacturing incidents are investigated using a commercial root cause analysis process (TapRoot©). The minor categories require the completion of the second level, while higher categories must be analyzed to the fourth (most detailed) level. The identified root cause must have actions identified to cause its elimination and each location must have a process for ensuring that action items are completed system wide.

Corporate Responsible Care personnel analyze the PeopleSoft data and report statistical data according to predefined formats based on corporate requirements, the Global Manufacturing Key Performance Indicators and the Marketing and Logistics Responsible Care Standard. The GRCT and its members are responsible for sharing incidents, within their respective groups, for which there is a learning experience.

The team found the system to be well implemented and used extensively for many purposes, not the least of which being an integral component of the facility's management system. The ability to extract global information and compare and contrast at the executive level brings a high level focus to accidents and incidents and demands performance from the company's leaders.

We did observe some spotty TapRoot© implementation as there were a good number of trained practitioners in Point Lisas who had yet to obtain the experience they need and not many trained facilitators in Marketing & Logistics (mostly Responsible Care managers and coordinators). One interviewee observed that the M&L organization would require a 'TapRoot© – Lite' tool to be able to effectively analyze root cause for the types of incidents they experience. However, not having the appropriate tools in place or the training to use existing tools in a different context does detract from the organization's ability to gather all pertinent information to allow for global analysis.

There is an opportunity for improvement to ensure all parts of the organization have the appropriate tools or the proper training to perform root cause analysis.

In Asia/Pacific the company uses its Continuous Improvement Request (CIR) system to manage incidents under the corporate standard. The system covers all the components of the other system in use (PeopleSoft) as well as handling customer complaints. Monthly meetings are held to review all CIRs as well as to review system performance and suggest improvements. The regions quality management system also uses this system to register and respond to quality incidents.

The team encourages Methanex to implement its plan to adopt an automatic reminder process for overdue corrective actions in its incident management system.

It is notable and commendable that a negative trending in contractor incidents at the Trinidad & Tobago facility caused a facility stand down requiring all staff and contractors to re-focus on safety (in particular) and turn the trend around.

The team encourages Methanex Trinidad to complete its initiative on addressing safety concerns arising from an increase in incidents in 2007 over 2006.

2f) Performance Measurements

The 'check' step of a management system is the part that shows the effectiveness of the system, and a key question is: "What does the company check as its indicator of performance?" For a few items – emissions & wastes, occupational safety & health, incidents related to transportation or process operations – C.C.P.A. specifies measures for reporting under Responsible Care. Most other areas are left to the discretion of each member or partner. The team was asked to review and comment on the measures used by the company to track and improve performance. Some of these are covered under specific sections below, but general comments are given here.

Team Findings:

The company has a broad suite of performance measures that it tracks.

It publicly reports some of these in its annual Responsible Care and Social Responsibility Report and additionally, every three years in its Global Environmental Report.

It reports as required into the CCPA's NERM, SHARE and TIM databases but not to PRIM since it does not now manufacture in Canada. The SHARE Group III results are used as benchmarks for many of the trend graphs viewed by the team.

There is a culture of measurement at the corporate level and data presentation is an integral part of all management meetings. The company is seeking leading indicators in a never-ending pursuit of a zero recordable injury rate.

All incidents reported into the PeopleSoft Incident Management System (see 2e above) are tracked and reported by region going back five years and compared with the CCPA SHARE Group III benchmark. The data is extensively used by the regions and sites to monitor performance and because of such widespread use and monitoring it has become a effective leadership tool to demand performance from the company's leaders.

The team observed extensive use of monitoring using a dashboard format. These tools normally make use of colour coding and yield excellent visual feedback on how the facility is tracking towards reaching its goals. Management teams set which measures are monitored and alter the suite when necessary or appropriate. For example in Dallas in response to increases in barge and railcar incidents involving leaks the office now monitors number of leaking railcars per 100,000 tonnes shipped, number of railcars outstanding for preventative maintenance and the number of leaking barge incidents per 100,000 tonnes shipped. Although this US operation is not required to report, the first and last metric align with CCPA TIM reporting requirements. The company is obtaining data from other organizations on these two metrics to benchmark themselves.

There is an opportunity for improvement to categorize rail car leaks by rail car vendor and barge leaks by company, craft and master to further hone in on potential root causes of the incidents.

The company monitors, measures, (where necessary) controls and reports to local authorities as required and the team saw several examples of these metrics.

3. Team Findings for Specific Code Management Systems

In examining how the company is fulfilling the specific expectations of Responsible Care, the team focused first on four topic areas identified as priority items by the CCPA board of directors for the period 2005-2008. These are process safety management and the related site emergency response, product stewardship and environmental management.

3a) Process Safety Management (PSM)

The team looked at how the hazards and risks from potential episodic ('sudden') incidents are identified and controlled at the company's sites, including awareness and understanding of the methods used for assessment and the techniques for hazard control, and how these are applied and kept current. This includes how the company's sites rank based on the *Site Self-Assessment Tool* of the Chemical Institute of Canada – whether they meet criteria for the “essential” level of PSM, and how the company has assessed the value of aspects beyond the essential level

Team Findings:

The company no longer manufactures chemicals in Canada and the requirement for the company to complete the Site Self-Assessment Tool (PSM survey) does not apply. However, prior to shutting down the Kitimat manufacturing facility the survey was completed and the site was operating at the “Excellent” level.

Process Safety Management is guided by company standards, but in an effort to understand where the company was and where it should direct its efforts, the Global Manufacturing Team required the sites to undertake an audit, titled “Safety Management Audit for the Process Industry” to determine company best practices, identify areas needing improvement and to facilitate the incorporation of Responsible Care elements into the Loss Prevention protocol.

The audit is based on OSHA's 14 elements of process safety management and provides a thorough framework for an effective process safety management system.

A process hazard analysis was carried out for the Punta Arenas Chile 1, 2 and 3 facilities in 2004 and for Chile 4 it was included in the engineering design. Risk analysis is a standard feature on all site jobs and projects.

In 2004 at Point Lisas the Titan and Atlas plants both had a quantitative risk assessment (QRA) performed and a process hazard analysis was done on the Titan plant. A "Safety Integrity Level" is scheduled for the site in 2009.

The team encourages Methanex Trinidad to complete its Safety Integrity Level process by 2009 as planned.

There is a global management of change standard (PCM) that is applied throughout the company. The PCM process is a paper controlled process that is filed electronically. The company is currently adding a component to the audit system to ensure the PCM system is functioning as designed.

The team found that the organizational change from a manufacturing facility to a terminal facility in Kitimat suffered as a result of, primarily, resourcing issues. In our judgment a formal change process with high level risk review would have been the appropriate process to apply to the transition. The PCM process is currently being revised to include people or organizational change and we view this as a positive endeavour.

The team encourages Methanex to complete its revision of the management of change process to include people and organizational change.

Punta Arenas has seen a need to turn their four trains up and down in response to natural gas supply and methanol demand. They have subjected their processes to their PCM process, including HAZOP, and have determined that they can effectively turn a unit down to about 50% and still run it effectively. These situations have been procedurized and depending on the circumstance could be subject to further PCM analysis should the circumstances warrant.

Developing strategies for setting unit operating rates in Punta Arenas is a demonstration of going the extra mile.

3b) Product Stewardship

For this aspect of Responsible Care, the team examined the company's processes for:

- assessing the exposures of people to its products over their life cycles, assessing the potential health implications of these exposures, communicating information to those potentially affected and taking action to prevent health impacts;
- ensuring that their products are not used by terrorists, the illegal drug industry or others who might use them for illegal purposes; and
- ensuring that suppliers of chemicals are meeting the intent of Responsible Care.

Team Findings

The team found that the company has an outstanding, documented Responsible Care standard for product stewardship in the form of their Corporate Marketing & Logistics

“Marketing & Logistics Responsible Care® Standard, CL2MK013”.

The document defines responsibilities, the applicability of Responsible Care codes, the requirement to implement a plan-do-check-act management system, product stewardship objectives, guiding principles, core elements, program elements for employee health and safety for pollution prevention and for continual improvement.

The document is a blend of specific and general requirements and results in specific and consistent implementations in the regions (North America, Latin America, Europe and Asia/Pacific).

The company's Marketing & Logistics Responsible Care® Standard is an industry best practice.

The team reviewed implementation in all four regions; the first two in person, the other two by teleconference.

North America M&L (Dallas) have implemented this standard under the American Chemistry Council's (ACC's) Responsible Care Management System (RCMS) Technical Specification (RC101.02).

There are some 30 customers in North America and all have been visited and have seen the Responsible Care presentation and a Responsible Care seminar has been given at 5 derivative industry seminars.

The team reviewed the Responsible Care clause in several contracts and found that the wording might require a review. In particular, a consignment contract stated that “Each of Buyer and Seller shall comply with all of the principles and codes of practice of the Responsible Care initiative as established by the Canadian Chemical Producers' Association..”). A terminal contract on the other hand stated “...their corporate policies, procedures, standards and programs comply with all of the principles of Responsible Care initiative as established by the Canadian Chemical Producers' Association.”). The former specifies the principles and codes of practice, the latter only the principles and would allow program flexibility in a customer or service provider. We would expect, for instance, that a signee to the former contract would have a community dialogue process, as defined by the CAER code, in place and functioning rather than a commitment to the principles of communication as is normally demanded of terminal operators.

There is an opportunity for improvement to review all commercial contracts that contain a Responsible Care clause to ensure its meaning is clearly understandable by all parties and represents a measurable expectation of customers and service providers.

The company makes use of consignment terminals and generally treats them as they do a direct customer. Responsible Care requirements would demand that this type of storage be treated no differently than any other case where the company owns the product.

It is a finding requiring action that methanol consignment terminals be subject to the same requirements placed on supply terminals.

The team found that in Dallas responsibility for terminals was clearly assigned and responsibilities were largely understood. There is no documented procedure to qualify a terminal and the lack of a terminal manual (although Terminal Guidelines exist) resulted in no clear understanding of what was or what should be in place at specific terminals. For instance, it was not known whether a community dialogue program was in place at the Quebec supply terminal as we would have expected from a Canadian facility. This is further

confused due to the nature of the contract wording (mentioned above).

There is an opportunity for improvement to write a terminals qualification process guided by the existing Terminals Guidelines (which incorporate Responsible Care expectations) and ensure the resultant package is linked to Responsible Care clauses in contracts.

Latin America (Santiago) have an implementation based on the corporate standard and documented in "Lista Maestra De Procedimientos - Comercial"

Asia/Pacific (Hong Kong) and Europe (Brussels) both have a "Responsible Care Management System" (AP2RC002, EU3RC01 respectively), that are modeled closely on the corporate standard. Contracts in the Asia/Pacific are written to allow monitoring of methanol use. Customers who are primary users of methanol are monitored to ensure their production matches their methanol consumption and distributors are audited quarterly to ensure there are no volume discrepancies. Customer terminals are all audited and the region is considering requiring CDI-T audits of all new customer terminals. The region does purchase methanol and has extended its supplier assessment program to cover these purchases. Where possible these producers are visited but its not always a simple or safe visit to make, in some cases the material is purchased from a trader and the original producer is not in the direct relationship. Efforts are being made to engage community Emergency Responders in spite of cultural differences.

In Europe the company visits all new UK customers prior to first deliveries but this is not the case in continental Europe.

There is an opportunity for a procedural improvement in continental Europe to ensure all new customers are visited prior to first delivery.

Implementations are geared to the local environment but the system is monitored via a corporate Level 1 audit based on the corporate standards. This ensures conformity between regions. Refer to the audit discussion in section 2c).

The company's Waterfront Shipping division has taken the extraordinary step of providing information about methanol handling to the crews of all the ships involved in the movement of methanol around the globe. They have produced a CD Video in 20 languages for the crews of the ships they charter and in addition have made it generally available to the industry through distribution by the Methanol Institute. (The company had previously produced a similar safe handling video for rail and truck). The video deals with all aspects of methanol, from simple chemistry to loading and unloading and to emergency response for such things as personal exposure and fire. The video received honours at two leading communications industry award competitions: a Canadian Public Relations Society Award of Merit in the audio-visual projects category and an International Association of Business Communicators (BC chapter) Blue Wave Award of Excellence.

The procurement process in Punta Arenas is governed by their ISO9000 certification. It is reviewed every 3 years and integrates Responsible Care into the requirements setting part of the process. All three chemical suppliers to the Punta Arenas plant are visited once per year. There was no particular link to the change management process for the purchasing of new chemicals.

This department makes, but does not manage, contractor contracts, but built into the

contracts is the requirement that contractors are required to report their safety performance (outside of Methanex) to company managers.

Customers are visited at least once per year and are provided a broad range of training including company and site information, ship methanol safety (video), methanol and its risks (PowerPoint), Responsible Care concepts and a presentation based on the MSDS. Only 20% of Latin America shipments go into further distribution and fully half of these customers' customers have been visited by the company.

The company's eight major regional customers have had training provided at the customer's plant site, one was a Chilean Navy vessel commissioned to transport methanol for a specific job in Antarctica. There is a planning process for customer visits, but if an incident occurs at a customer site the customer visit is planned immediately and issues surrounding the incident are addressed. All customers are assessed prior to first shipment and shipments are delayed or sales canceled if the methanol cannot be handled safely. The Punta Arenas shipping supervisor provides product stewardship training for all ship crews every six months.

The dedication to safety in the supply chain as demonstrated by Methanex Chile is a best practice.

In Point Lisas we found the purchasing department to have strong programs related to contractors. There is a pre-qualification process, which, if they pass, leads to further evaluations including site visits. They have a qualified vendor list, and a vendor evaluation process which is in play with the current higher level of contractor incidents. Their process includes a rating system which can result in disqualification for contractors.

They only have a few purchased chemicals on site and have a procedure called "Chemical Management - Purchase of New Chemicals, TT2RC25 which guides the purchasing a new chemical. This procedure requires a risk assessment be done prior to the approval of purchase.

3c) Site Security & Emergency Response

The team looked at how the company had identified and assessed the security vulnerability of its sites, and how it had selected and implemented countermeasures to address security concerns. The team also examined how the company assesses the full range of risks its site operations may present to their communities, together with the process for liaison with local emergency officials at each site, and for developing, coordinating and testing site emergency plans with those of the community.

Team Findings

The company has a corporate "Global Security Management Standard: CR4RC175" that is based on the ACCs Security Code of Management Practices. Each facility (which includes Marketing & Logistics offices) must conduct an initial security vulnerability assessment and repeat the assessment every five years or sooner if significant change occurs.

The Punta Arenas facility completed theirs in 2004 and has dealt with all 14 findings. Point Lisas also completed theirs in 2004 but still has some work to do on the findings.

The team encourages Methanex Trinidad to complete its action plan on the findings from its Safety Vulnerability Assessments, as planned.

There was no data indicating that vulnerability assessments had been conducted at other

than manufacturing locations as per the corporate standard (the Europe package indicated that the site SVA is n/a).

It is a finding requiring action that the corporate “Global Security Management Standard: CR4RC175” has not been fully adhered to in respect of vulnerability assessments of all Methanex facilities.

The team found that the company has outstanding emergency response programs in place at all its sites.

In the case of the Point Lisas facility in Trinidad & Tobago the company has the capability to deal with all emergencies and is mandated to do so by local regulation. Emergency responders are a combination of shift workers and contract security personnel. Each shift has emergency medical technicians and the security personnel have fire and/or ambulance training. Local (community) emergency response is by request. The Emergency Response Plan covers the site as well as the nearby marine terminal even though it is owned by another company. The plan is scheduled to be tested annually, this year it will be done three times. The site has a crisis management plan

At its Punta Arenas facility the company also maintains a total capacity for first response principally because the town's fire department response time is 20 minutes, with the plant being nearly 30km from the town. Fire brigade members are on-shift employees and each shift has four training exercises each year. Training with the community fire department is conducted every third year and a table top exercise is developed each year to test the plan. There is an on site medical center staffed by four full time paramedics as well as a doctor for two hours per day. There is a formal drill of the ER plan each year.

The team also had the opportunity to interview a member of the Punta Arenas Fire Department. We were told that all fire departments are voluntary with minimal funding from the state. Money for operation and capital expenditures must be raised locally. Methanex has supported the fire department by identifying what equipment needs it has and, where feasible, buying that equipment. The company offered and the department accepted sending a captain to Argentina for MeOH fire training. There are excellent communication channels with the company and they are very comfortable working together.

At Kitimat the operation is struggling to return to form after significant resizing in going from a manufacturing site to a terminal operation. Methanex maintains first response capability and has a schedule of drills, exercises and practices including a site emergency drill scheduled in Q3 2008 with the local Mutual Aid group, quarterly fire response and spill response exercises and weekly fire practices (for a limited time period) with individual terminal crews. The increase in fire practices was instituted to ensure all involved were at a high skill level and to reinforce teamwork during this period of vulnerability the facility is experiencing. The terminal emergency plan also covers the nearby marine loading facility.

The M&L offices have RC committees and emergency response is a concern that is dealt with effectively. In general, all offices must have Office Emergency Response and Security procedures, in Asia Pacific the document number is AP2RC009. All facilities have evacuation drills according to local requirements. The team did discover, however, that there was a need to re-evaluate the Santiago offices ability to respond effectively to a large or catastrophic event (earthquake) should immediate action be required to stop bleeding (for example) due to shattering glass.

There is an opportunity for improvement in the Santiago office to review office capability to respond immediately to events threatening life and limb.

There is a corporate crisis management plan administered by the Corporate Responsible Care Department and it is tested annually.

3d) Environmental Management

In addition to examining in general the company's performance in reducing its environmental "footprint, the team looked specifically at the company's performance history and 5-year projections regarding greenhouse gas emissions. This included actions both taken and planned and whether through direct reduction of emissions or indirect reduction through such measures as improved efficiency in use of energy or materials, changes in technology, etc.

For fact-finding purposes only, to assist CCPA in developing recommendations for addressing growing concerns over water consumption, the team also reviewed any actions taken by the company to identify and reduce its usage of water.

Team Findings

The company does not, at its Kitimat facility, emit carbon dioxide, CO₂ (a greenhouse gas) that would require reporting into the NERM database.

However, at its facilities in Chile, Trinidad & Tobago and New Zealand it does emit CO₂ as a result of its manufacturing process and the company has actively pursued reductions through asset turnovers, improved plant reliability and energy efficiency. According to its 2007 Responsible Care and Social Responsibility Report it has reduces its CO₂ emissions intensity each year of the last five years while the absolute amount of CO₂ has also fallen. The team reviewed a five year CO₂ emission projection for the company's Punta Arenas facility.

There is an opportunity for improvement for Methanex to ensure that meeting the ACC requirements for environmental management also meet CCPA expectations (e.g. the Trinidad TT1RC04 Environmental Policy refers to ACC requirements.)

Water used at both Punta Arenas and Point Lisas is sourced from the sea. As such it is very expensive after demineralization and for some of its end uses, desalination. Punta Arenas has a project underway to recover as much water as they can from three of their four plants before discharging back into the sea. The fourth plant (Chile 4) has incorporated water use reduction with a closed loop cooling system. The project is designed to recover as much as 60mt/hr of process water.

In addition to examining how the company has performed in the four priority topic areas, the team then looked into some additional selective areas of focus, as noted below.

3e) Visibility & Employee Awareness of Responsible Care

Here the team looked at how the company seeks to make Responsible Care a visible part of its facilities and its internal and external communications, and how it ensures that all

employees understand the essence of Responsible Care and its relevance to their job activities and decisions.

Team Findings:

The team found numerous examples of ways the company seeks to make Responsible Care a visible part of its facilities and communications. A few are given below.

There are broad and continual discussions at the Board level through its Responsible Care Committee.

The President and CEO has a personal and deep commitment to Responsible Care recognizing the fundamental requirement to engage in effective community dialogue. An example of his personal involvement is the holding of quarterly luncheons with all employees at the corporate offices to provide business updates. At each session he discusses some aspect of Responsible Care and acknowledges the ongoing efforts in this area by various Methanex staff. The presentation is captured by video and distributed to each global location.

All new employees receive orientation training in Responsible Care within a defined time period (in Dallas, for example, it is within 3 months) and every employee has RITs relating to Responsible Care

In the Dallas M&L office a variety of Responsible Care related sessions are conducted annually on topics of interest or that are timely in importance. There is a 'Responsible Care wall' in the office reception area that presents Responsible Care certificates, the ethic and principles, a collage showing community involvement and a snapshot of current North America M&L incident stats.

Awareness in Asia/Pacific is facilitated by ensuring Responsible Care is first on the agenda in meetings with staff, customers and suppliers. Also, they have implemented annual Responsible Care training and an awareness program.

Depending on an employee's actual role there may be a requirement to participate with others in visiting stakeholders (customers, terminal operators, suppliers, association groups, community panels etc.) with an expectation that the Responsible Care brand will be prominently displayed.

The company has enshrined the ethic of Responsible Care in its Standards documentation. For example, in its "Marketing & Logistics Responsible Care Standard: CL2MK103" under "4.3.1 Product Stewardship – Objectives:" is the following:

- Encouraging customers and distributors to become self-sufficient in their Responsible Care practices, and to develop the ethic further along the value chain to their customers."

As mentioned earlier the company produces an excellent employee newsletter, Methanex Today, which it makes available to all employees. The newsletter promotes Responsible Care via specific articles but the opportunity is taken to include aspects of Responsible Care in seemingly non-related articles.

3f) Occupational Health & Safety

The team looked at the company's processes for continuous improvement in protecting the Methanex Responsible Care Re-Verification 2008

safety and health of employees, contractors and visitors.

Team Findings:

The company has a corporate Health and Safety Policy (CG1CP011) that drives programs at all its facilities. The manufacturing sites and the Kitimat terminal have developed documented policies, standards and procedures to conform to the Standard. The programs are well thought through, respond to local needs and are developed to meet local laws and regulations. Programs include health and wellness (TT2RC21 in Point Lisas) and industrial hygiene (TT2RC24 also in Point Lisas). They are tightly integrated with site management practices as well as with accident and incident reporting and analysis. Safety observation programs (BAPP – Behaviour Accident Prevention Program) have been in place since 1997 at Punta Arenas. We also found at this site that there was a mandated Safety Committee (Comité Paritario), which included contractors, that endeavours to continually improve the health and safety of employees, contractors and visitors.

It was in response to an increase in contractor incidents in Point Lisas that caused the site leader to order a site wide work stand-down. The site manager presented the situation to all employees and indicated that they were going in the wrong direction and had to change. Along with the personal communication other 'emergency' elements were put in place to manage and monitor progress. The remediation processes were only just installed at the time of the re-verification and it was too early to determine if the effort would be successful. The actions taken do focus on the company's commitment to obtain a zero reportable incident rate.

The team was able to conduct plant walk-arounds in Punta Arenas, Point Lisas and Kitimat. We were very impressed by the excellent housekeeping and feel this demonstrates a commitment from management and workers to maintain a safe and healthy work place.

However, we discovered an example of the need for continual checking when on testing an eyewash station in Punta Arenas we found it took approximately 4 minutes for tempered water to reach the nozzle. The train had not been operating for some time and normal water flow was not available to maintain the water temperature. Nevertheless, the eyewash station was next to a caustic tank and very important in the case of a chemical emergency.

It is a finding requiring action that the tested eyewash station in Punta Arenas did not immediately deliver tempered water.

Also in Punta Arenas the team observed a medical building staffed by four paramedics on a 24 hour per day, 7 day per week basis. A doctor is also available 2 hours per day, 5 days per week. This is a practical response to the medical facilities of Punta Arenas being about 30 minutes away.

The Punta Arenas paramedic/medical facility is a demonstration of going the extra mile.

We did, however, feel there was a dependency on the paramedics that could cause the site a problem should immediate first aid not be provided while awaiting the paramedic's arrival.

There is an opportunity for improvement in Punta Arenas to encourage employees to become trained in first aid and be able to provide immediate aid while the paramedics are in transit.

The team observed that the transition from a manufacturing site to terminal in Kitimat was

proceeding with a fair amount of stress on employees. It appeared to the team that various circumstances had resulted in a lower than anticipated workforce with a high work load. We observe that the situation was ripe for an incident or accident to occur and would encourage the company to analyze this event and structure future organizational change based on the results. We have suggested an opportunity for improvement in section 3a) regarding management of organizational change. We also recognize the work being done in this area (review of the MOC process) and encourage the company to continue its development and ensure it is capable of being applied in the broadest of situations with appropriate risk management input.

The Safe Handling video mentioned earlier is another example of the company's dedication to providing the proper information to affected people.

The M&L locations tend to be more informal towards safety and health programs and their documentation but have implemented programs using safety committees to cover office workers. Programs and initiatives in manufacturing and M&L are greatly influenced by the local RC Managers and Coordinators and coordination and standardization occurs via membership on the Global Responsible Care Team and on the Global Marketing and Logistics Responsible Care Team. There is no particular safety and health corporate oversight of the programs in the company and, in the example of the Environmental Excellence Team, there might be an opportunity to parallel such a team for the benefit of M&L and manufacturing.

There is an opportunity for improvement to create a corporate excellence team for safety and health in the style of the Environmental Excellence Team .

3g) Transportation Security

The team looked at how the company assesses the risk of deliberate misuse of products or raw materials in transit and provides protection against such risks.

Team Findings

In Chile methanol is distributed in bulk, mostly by marine vessel although some customers do make tank truck customer pick ups. Methanol is registered under Chilean "SQC" or Controlled Chemical Substances and the company must keep close control over inventories and register any movements of registered substances. Each ship has a Ship Security Plan, fulfilling the requirements of the ISPS Code. The company also carefully screens potential crew members to ensure candidates of the highest integrity are selected.

In North America methanol is distributed by barge and railcar. Barge shipments are via fully dedicated equipment and routes from loading to destination are fully established prior to loading. Quantities are established on loading and verified on discharge. In the U.S. barge shipments fall under the regulatory regime of the US Coast Guard and are subject to controls on the barges and the shipments.

Railcars all have seals and the company is switching this year to cable seals and encouraging customers to apply cable seals on the empty return railcars.

Shipments are regulated by hazardous materials transportation requirements of Canadian

TDG and US 49 CFR regulations.

In Point Lisas this area of security was done as part of the aspects and impacts assessment under the RC14001 system.

Throughout the world the company carefully selects its transportation carriers and regularly reviews and assesses their performance. They have established strict limits on product shortages above which an investigation is required.

In Europe there is close monitoring of loaded and discharged volumes of methanol and any discrepancy of more than 0.5% is investigated.

3h) Risk Communications

The team reviewed the company's system for regularly assessing the full range of risks its site operations present to their communities – from worst imaginable and worst credible scenarios down to more likely but lower risks – and for ongoing communication to and dialogue with the potentially affected communities.

Team Findings:

The team found that the company regularly updates its risk profile at its fixed facilities and makes use of various assessment tools to understand the risk posed by its non-fixed facilities.

Risk communication is handled by the Public Affairs Manager in Punta Arenas as part of the community dialogue process. Worst case scenarios have been shared with the community although the impact is small as the plant site is quite far from any residential areas. The site routinely involves the community in dialogue and has very strong ties with its Community Advisory Panel.

In Santiago there was no consideration given to communicate with local selected hospitals on the hazards of methanol poisoning.

There is an opportunity for improvement to communicate with selected hospitals on the hazards to people and treatment options for methanol poisoning.

In Point Lisas there was no process to update its risk communication information.

There is an opportunity for improvement for Methanex Trinidad to update its risk communication information, as needed, as a result of its QRA updates and communicate this revised information to its community of concern. In addition, risk communication should be done periodically whether or not there is revised risk information.

Risk communication for the M&L locations is largely limited to ensuring all carriers, customers and service providers have been given information on the hazards of methanol. As new uses of methanol arise the company is very active in providing information to industry conferences associated with the new use (e.g. National Biodiesel Conference, Orlando FL.).

3i) Social Responsibility

The team investigated the ways the company has provided benefits to, and worked to understand and further the social aspirations of, its local communities and broader society beyond the boundaries of EH&S performance.

Team Findings:

The company has a Social Investment Policy the purpose of which is to “establish social investment plans that are integrated and aligned with our Corporate Mission, our core values and our business strategy”. All sites and offices have annual plans for reinvestment and budgets are established on a per-employee dollar basis. Each site and office must have a Social Investment Committee to manage the program and some examples of investments are matching employee donations to local charities, volunteering time at food banks and establishing scholarships at local colleges.

The Corporate office has three primary areas of focus which are, partnering with employees, Responsible Care and education.

The company has recognized its responsibility to give back to communities where it has established facilities and where such practices are not the norm. Some examples of this include an employee assistance plan in Chile; flexible work hours in New Zealand; enhanced maternity leave in New Zealand; sponsorship of a Safety Chair at the Trinidad & Tobago Institute of Technology and a global employee share purchase plan (92% of employees are shareholders).

In Punta Arenas a sampling of programs and activities include:

- plant open house (3 yr basis)
- Responsible Care presentations to local schools, the Technical Institute and local University
- plant visits conducted for schools, suppliers and community organizations
- plant support for employee groups, activities and charities
- plant support for a public relation program in support of local cultural, sporting and medical programs
- Permanent display of the plant's architectural models including operating information about the plant at the local Margorino Borgatello Museum.

In addition to these initiatives the company has recently conducted a workforce reduction with a good deal of sensitivity to the local community. The workers who were terminated were compensated for their years of work and were also give a benefits package covering the employee and their family until the end of the year. Salary continuation was also given to the end of the year and office support was given to the employee as they conducted their job search. The company will not ask for repayment of employees' children's scholarships and the company adjusted the total number of terminations in order to retain workers and temporarily redeploy them to participate in other Methanex projects

In Point Lisas the company has added “enhancement of our local culture” to the company's primary focus. Examples of local initiatives are:

- university bursaries (12)
- music scholarship (1)
- mentoring secondary school students (15)
- providing Energy Conference facilitators

- cancer awareness support
- primary school library upgrade
- encouraging employees to volunteer a minimum of 12 hours per year to community charities.

It is a best practice that Methanex Trinidad is assessing the effectiveness of some of its social responsibility initiatives.

The Dallas M&L location supports the three areas of emphasis through a Social Investment Committee chaired by the Director, North America Marketing & Logistics. Various local events such as “Race for the Cure” and “Habitat for Humanity” home builds along with food collection for food banks and shelters are supported.

3j) TransCAER Outreach

TransCAER is the CCPA program for Transportation Community Awareness and Emergency Response. It involves the company’s approach to preventing transportation incidents, its transportation emergency response plan, and also outreach to communities through which chemicals are transported. Company responsibilities are decided by regional TransCAER committees formed from the members and partners in each region. The team looked at how the company has participated in TransCAER outreach in each region where it has facilities, and how effectively the Responsible Care ethic drives the building of relationships with targeted stakeholder groups.

Team Findings:

The company does not carry out a TransCAER initiative outside of Canada. At Kitimat the site participates in regional TransCAER activities. Two handlers took the first response truck to Trail last year (2007) and in the fall that year the CCPA TransCAER railcar was brought to the site. The RCMP, local industries Alcan and Eurocan and the District of Kitimat were all invited to visit and the turnout was very good. The company has had a lessened involvement in regional activities lately and the team encourages the company to fulfill its CCPA TransCAER requirements.

In Chile the company ensures all marine carrier crews and all customers as well as most secondary customers have been trained in all aspects of methanol and its handling. In Asia/Pacific the goal is to understand their logistics routes, principally in China where most of the regional methanol is sold. As in other regions outreach is in the form of information distribution and transportation seminars.

3k) Carrier Selection

The team looked at the company’s process for establishing criteria for the selection of road, rail, marine, pipeline and air carriers, and for ongoing assessment of those carriers against those criteria.

Team Findings:

The company has one product, methanol, and ships the majority of it from manufacturing

locations to supply terminals by marine carriers. They also purchase methanol and direct the shipments to their existing terminals or customers. From the terminals the product is shipped to customers by barge, rail, truck and pipeline. The company uses a combination of direct truck shipments and customer pick ups around the world. Where the company directly hires the carrier a carrier assessment program is in place and the company has a contingency plan where, should an emergency arise, it has approved carriers available should a problem occur with a customer pick up, except in Dallas, where this is not in place.

There is an opportunity for improvement for the Dallas Marketing and Logistics office to implement a program to ensure that a qualified motor carrier is in place to handle emergency methanol shipments.

At every facility, in each region, the company has documented requirements for carrier selection that, in the case of a motor carrier, would meet or exceed the requirements of the Motor Carrier Evaluation.

North America M&L primarily transports methanol by barge and rail. There are two barge companies used and they are audited regularly. Beginning this year the company established a Barge RC Management Plan that focuses on three areas: communications (between the companies and Methanex), assessments and audits (expanding the traditional assessments to include physical assessments) and procedures (loading, transporting and unloading procedures and improving the Barge Carrier Guidelines and Incident Reporting procedures).

Although railcar carrier company selection is limited the company subjects its carrier and railcar repair shops to regular RC assessments. In this area they have also implemented a communication, preventative maintenance program, railcar equipment standard and procedures program, similar to the one mentioned for barges.

The North America M&L organization ships directly to major companies or to supply terminals located throughout the continent. These facilities are encouraged to share product risk information with their local communities and the company will provide resources to assist in this effort. Shipments from these terminals are by rail, barge and bulk truckload customer pickups.

In Asia Pacific transportation of methanol is by vessel, pipeline, barge and tank truck. When methanol is sourced outside of China it is either shipped by Waterfront Shipping or by a carrier approved by Waterfront.

In Europe the company contracts storage terminals in Rotterdam, The Netherlands; Teeside, UK; Le Havre, France and Livorno, Italy. River barge is used for delivery in Belgium, The Netherlands and in Germany, while truck is used for Methanex arranged deliveries in Belgium, The Netherlands, UK and France. There are also customer pick ups. Methanol is stored on consignment in Barry, UK; Rotterdam and Marl, Germany. The region also uses marine carriers for customers located in Southern France, Spain and Portugal. There are also pipelines in Newcastle, UK and in Germany (which is scheduled to be shut down). For its truck shipment the company uses the SQAS protocol under CFEC and assesses its carriers every 3 years.

The UK pipeline uses a consultant two days per week, there are policies and procedures in place and the 'facility' recently had an ER exercise.

3l) Engagement with Elected Officials

Since part of Responsible Care is a commitment to assist in the processes of sound public policy development consistent with the criteria for sustainable development, the team reviewed the company's process for establishing ongoing relationships with elected officials (i.e., MPs, MPPs, city councilors, etc.) in constituencies where the company has a presence, to acquaint those officials with the nature of the company's operations, economic impact, Responsible Care commitment, activities and public policy concerns, and to understand the elected officials' interests and concerns. Also reviewed were the company's engagement in CCPA activities aimed at assisting in the development of sound public policy (e.g., Parliamentary Day, policy discussions, lobbying, etc.).

Team Findings:

The company in Chile has a formal program to frequently engage country and local officials on matters pertinent to local operations. Specific contact frequency is defined although it is modified as special events arise. Key company executives are made available when issues related to country public policy arise. Information on the company's corporate social responsibility is also sent to target audiences on a regular basis.

In Trinidad & Tobago the company has a wealth of involvement with local and national government officials. Built into the Performance Charters of Public Affairs and the Managing Director's Unit are quarterly contacts with Regional Corporations, Ministry of Energy and Energy Industries. Contact is made as required with government agencies that directly impact business and courtesy calls are made on new Prime Ministers and Energy Ministers. In keeping with local culture social and professional networking supplements the formal initiatives.

Methanex Europe is a member of CEFIC, one of whose roles it is to undertake advocacy on behalf of European chemical producers.

The company has a Public Affairs/Government Relations department and uses Responsible Care to help shape its position on public policy in other trade associations. Understanding how committed the company is to Responsible Care when, as is sometimes the case, they are the only Responsible Care company in the association, gives them a lot of confidence in putting forward that position.

3m) Community Dialogue

The team looked at how the company's broader process for dialogue with its communities has been working since the previous verification, including the identification of stakeholders, community issues and concerns, how concerns were addressed and the choice of dialogue methods. They looked at the effectiveness of the management system in ensuring the company is planning, implementing, evaluating and continuously improving its relationship with the community.

Team Findings:

The team found the company has a very strong community dialogue program with very active community advisory panels (CAPs, PAC in Chile) in Kitimat, Punta Arenas and Point Lisas. The team met with members of all three CAPs and found extremely positive and

motivated groups at each location. We found an excellent, documented process in Kitimat but did not find a public awareness, community dialogue policy in Point Lisas. The company does not have a corporate level standard providing guidance in developing local programs. The standards and procedures the team viewed in Kitimat would provide a good example.

It is a finding requiring action that Methanex at the corporate level document its management system for the Community Awareness component of the CAER code.

Punta Arenas PAC meetings are held quarterly. Membership is based on the individual merits of community members using guidance found in the plants community awareness procedure. In 2006 the company commissioned a study (“Economical and Social Methanex Impact in National Economy and in Magallanes Region”) which was reviewed and discussed with the PAC in special sessions. To keep on top of broader country issues the company participates with their industry association, ASQUIM, with the Manufacturing Development Society (SOFOFA) and locally with their gas producing neighbour, ENAP, as well as with other gas producers.

Point Lisas CAP is made up of social, educational, business and service sector volunteers from the facility's fence line communities, and includes one member who is a local student. They advise the company of local concerns and provide a channel for the company to share its initiatives (and annual Responsible Care, Corporate Social Responsibility report) with the community. This CAP has developed a mentoring program for local students. The program endeavours to identify and mentor high potential children and is currently seeking ways to measure its effectiveness.

The team encourages Methanex Trinidad to pursue its attempt to revive the community affairs group in its industrial estate.

There is an opportunity for improvement for Methanex Trinidad to promote community dialogue by the other member companies of the industrial estate.

In Europe the M&L organization is attempting to get communications out to local police and fire departments through an initiative dubbed “RC days”.

The company's UK pipeline operation does not have a community dialogue plan in place. The pipeline, as an Methanex operated facility would come under the Manufacturing Code of Practice and as such the expectation would be that a dialogue process has been undertaken with the pipeline's Wilton neighbours.

It is a finding requiring action that a community dialogue process is not in place for the company's Newcastle pipeline operation.

The company generally relies on the industrial parks, within which its terminals are located, to conduct community dialogue. There is no checking that the programs meet the intent of a Responsible Care community dialogue program and the company should verify that it does.

There is an opportunity for improvement to ensure that industrial park community dialogue programs meet the company's Responsible Care dialogue requirements.

In Chile the company depends on the CDI-T audit section related to community and neighbours to ensure the operators of the terminals are delivering the message to their neighbours. Methanol terminals are mostly located in highly industrialized location with little nearby residential developments. The company does work closely with the terminal operators to encourage them to deliver the Responsible Care message to neighbours.

3n) Areas of Focus Identified by the Company

None requested

3o) Additional Areas Addressed During the Re-verification

None.

4. Conclusion

Methanex has implemented Responsible Care worldwide according to the CCPA Codes of Practice using one standard of implementation wherever they do business and do not compromise on this commitment.

The ethic of Responsible Care underpins all decision making and at all levels employees demonstrate and understanding of and a commitment to the ethic.

The company is strongest in its implementation within its manufacturing organization but has shown great progress in catching up in its Marketing and Logistics division.

The company has built and is building manufacturing facilities in locations where safety, health and environmental considerations are different from what is considered the norm in North America and has not wavered in its commitment to build and operate these facilities according to Responsible Care principles.

The company is expanding its Marketing and Logistics activities into the rapidly changing environment of Asia and the Pacific and is doing so with the same Responsible Care considerations that it has in North America.

The team recommends that CCPA officially recognize this re-verification with an award at the next suitable occasion.

5. Company Comments

Methanex is pleased to have hosted a CCPA Verification / Re-verification team for its fourth consecutive global visit in 2008. We have looked forward to the feedback from this team of external industry experts and representatives from the community. Re-verification is an opportunity to confirm that our management system drives continuous improvement and that our behaviours demonstrate the ethic of Responsible Care. We are acutely aware of the value the re-verification team comments add to our internal process for continual improvement. Methanex has chosen to apply the CCPA verification process beyond our Canadian assets to measure how consistently the Responsible Care ethic and codes of practice are applied throughout our international organization. We believe the re-verification report supports our belief that each of our employees continues to live the Responsible Care ethic. Methanex will continue to actively engage our industrial partners, vendors and suppliers

to spread the Responsible Care culture.

Methanex would like to express our gratitude to the verification team for the dedication and professionalism displayed during their visits, and the CCPA itself for being on the “leading edge” of Responsible Care worldwide.

Finally, we recognize that the principles and application of Responsible Care has enabled our success in the global marketplace, and we commit to future undiminished focus on achieving ever higher levels of implementation.

Brad Neumann,
Director, Responsible Care

Appendix 1: Company Description

This is very brief overview of the company and its operations covered by the re-verification.

Methanex Corporation is a Canadian company with its corporate headquarters in Vancouver, BC. The core business is the manufacture and marketing of methanol. Additionally, Methanex has a department that opportunities for use of methanol in new markets such as a water treatment chemical and as a precursor in the energy market (dimethyl ether production).

Methanex has methanol manufacturing sites currently operating in or near: New Plymouth, New Zealand (1 operating plant, 2 idled plants); Punta Arenas, Chile (2 operating plants, 2 idled plants); and Trinidad and Tobago (2 operating plants, Atlas and Titan). The Trinidad Titan plant is a joint venture with BP as the minor partner. Since the last re-verification, Methanex completed construction on the Trinidad Atlas plants and Chile IV. A site in Medicine Hat, AB has 1 idled plant; its other 2 plants were demolished in 2005. The Kitimat plant is idled, awaiting demolition or relocation but its Terminal remains operational. A plant in Fortier, LA was demolished since 2004. Finally, construction has begun on a new methanol plant in Damietta, Egypt with completion targeted in 2009.

The marketing and logistics (M&L) of product methanol is managed through regional M&L offices. The Director of M&L for each office reports directly to the Sr. VP. Global Marketing & Logistics based in Vancouver. The M&L offices are located in key marketing hubs, and include: Hong Kong (Asia Pacific); Santiago, Chile (Latin America, including Mexico); Dallas, Texas (North America); and Brussels, Belgium (Europe). In the Middle East, Methanex has a Business Development office in Dubai, UAE. In Europe, there is a satellite office in Billingham, UK which is managed directly from Brussels. In Asia Pacific, in-region satellite offices have been set up in Seoul, South Korea; Tokyo, Japan and Shanghai, China; all offices report directly to Hong Kong. In addition, a wholly-owned subsidiary, Waterfront Shipping Company provides ocean-going logistics services exclusively to Methanex; Waterfront is based in Vancouver and shares office space with Methanex Corporation.

Additional support functions based in Vancouver include Finance, Corporate Development, Legal, Investor Relations and Corporate Resources (which includes Human Resources, Information Technology, Government and Public Affairs, and Responsible Care).

Appendix 2: Team and Contacts

This section identifies:

- the members of the verification team, including community reps.(unless shown in the body of the report);

Name	Affiliation	Representing
Gerry Whitcombe	CCPA Verifier	Industry (team leader)*
Sherry Khan	CCPA Verifier	Industry for Kitimat and Vancouver*
Jeff Perkins	CCPA Verifier	Community at large (for Chile)*
David Powell	CCPA Verifier	Community at large (for Trinidad and Tobago)*
Brian Fulsom	Community representative	Kitimat Community and Community at large for Vancouver
Sergio Barrientos	ASIQUM Verifier	Association Lead (Chile)
Barbara Delano	ASIQUM Verifier	Public Member (Chile)
Agustin Olivos	ASIQUM Verifier	Industry Representative (Chile)
Jessica Diaz		Local interpreter (Chile)
Thomas Silva	Lloyds Registry	RC14001 certification

Team members assigned by C.C.P.A. are shown by an asterisk (*).

- the persons contacted during the verification, both inside and outside the company;

Terry Rowat	Vancouver	Manager, Environmental Affairs
Bruce Aitken	Vancouver	President and CEO
John Gordon	Vancouver	Sr. V.P.,Corporate Resources
George Wellon	Dallas	Manager, Responsible Care
Chris Cook	Dallas	Regional Sales Manager
Kevin Maloney	Dallas	Manager, Customer Service & Logistics
Carolyn Dressler	Dallas	Coordinator, Human Resources
Shawn Harrington	Dallas	Senior Manager, Sales
Mike Wilson	Dallas	Coordinator, Logistics

Ben Cook	Dallas	Senior Coordinator, Supply
Carmen Santos	Dallas	Senior Coordinator, Supply
Daniel Wolfe	Dallas	Supervisor, Customer Service & Logistics
SteveAnn Branson	Dallas	Coordinator, Inventory/Terminal
Laura King	Dallas	Billing Administrator
Cathy Griffith	Dallas	Senior Representative, Customer Service
Diego Hurtado	Santiago	Development Manager
Fernando Reinecke	Santiago	Manager, Logistics
Paul Schiodtz	Santiago	Sr. V.P., Latin America
Juan Enrique Gonzolez	Santiago	Commercial & Logistics Director
Rosa Bidart	Santiago	Strategy & Development Manager
Veronica Hudson	Santiago	Customer Service Representative
Priscilla Fuchsiocher	Santiago	Customer Service Representative
Amparo Cornejo	Santiago	Public Affairs and CSR Manager
Roger Neumann	Punta Arenas	Manufacturing Director
Gonzalo Valdiva	Punta Arenas	Responsible Care Manager
Roberto Assef	Punta Arenas	Gerente de Abastecimiento y Finanzas
Alex Andersen	Punta Arenas	Production Manager
Victor Escobar	Punta Arenas	Security and Emergency Equipment Coordinator
Christian Lengerich	Punta Arenas	Superintendente Proyectos
Alejandro Labarca	Punta Arenas	Human Resources Manager
Carla Vidal	Punta Arenas	
Richardo Galindo	Punta Arenas	Bufete Ind. (site contractor) safety officer
Hurberto Ulloa	Punta Arenas	Punta Arenas Fire Department
Marcos Villarroel	Punta Arenas	Contract janitor- general office support
Guido Asenjo	Punta Arenas	Supervisor, Environmental Affairs
Kevin Henderson	Kitimat	Director, Manufacturing
Steve Ross	Kitimat	Terminal Manager

Paul DeJong	Kitimat	EH&S Coordinator
Debbie Tulk	Kitimat	Terminal Administrative Assistant
Christina Harris	Kitimat	Logistics, Ship Safety Inspection
Ken Campbell	Kitimat	Maintenance Planner
Ken Nagel	Kitimat	Terminal Supervisor
Alex Millar	Kitimat	Terminal Supervisor (Sr. Port Security Officer (FSO))
Lorna Young	Vancouver	Director, Responsible Care
Brad Neumann	Vancouver	Manager, Responsible Care
Julie Doherty	Vancouver	Director, Government and Public Affairs
Christen Stoesser	Vancouver	Public Affairs Specialist
Marc Dupont	Vancouver	Manager, Government Relations
Roland Laurin	Vancouver	Director, Risk Management
Wayne Hickey	Vancouver	Manager, Risk Management
Dean Richardson	Vancouver	Manager, Corporate Development
Steve Sopora	Vancouver	Manager, Strategy & Corporate Development
Jone Hognestad	Vancouver	President, Waterfront Shipping Limited
Edgard Jimenez	Vancouver	Operations Manager, Waterfront Shipping Limited
Graham Smith	Vancouver	Quality and Responsible Care Supervisor, Waterfront Shipping Limited.
Ben Iosefa	Vancouver	Director, Energy Applications
Lester Boodhoo	Point Lisas	Manager, Responsible Care
Charles Percy	Point Lisas	Managing Director
Omadath Koonjan	Point Lisas	Operations Director
Rawle Ramiochan	Point Lisas	Technical Manager
Mahadeo Mitchell	Point Lisas	Materials Supervisor
Deo Jagdip	Point Lisas	Senior Advisor, Crisis Management & Training
Ulric Noel	Point Lisas	Responsible Care Advisor
Renata Tam	Point Lisas	Senior Responsible Care Advisor

Cindi Nandlal	Point Lisas	Senior Responsible Care Advisor
Deborah Samaru	Point Lisas	Public Affairs Manager
Sue Vennik	Brussels	Responsible Care & ISO Coordinator
Wade Wiggins	Brussels	Director, Marketing & Logistics
Felipe Arendt	Brussels	Director, Marketing & Logistics
Robin Van der Sluis	Brussels	Supervisor, Supply & Logistics
Laurent Van Wulpen	Brussels	Sales Manager
Deanna Li	Hong Kong	Responsible Care & ISO Coordinator
Mike Hertz	Hong Kong	Director, Marketing & Logistics
Simon Maddren	Hong Kong	Regional Sales Manager Asia/Pacific

- a brief summary of the process by which the information was obtained:

The Canadian Chemical Producers' Association's "Responsible Care Re-Verification 2005-2008 A Protocol to Help Us Improve" document was used for this re-verification.

The re-verification included interviews with a cross section of managerial, office, maintenance and production employees and reviews of documents relating to the various topics being addressed. The verification Team also met with members of the Community Advisory Panels (CAP) in Punta Arenas, Chile, Kitimat, BC, and Point Lisas, Trinidad and Tobago.

Appendix 3 – Acronyms used in this report

49 CFR	Title 49 Code of Federal Regulations, Transportation
ACC	American Chemistry Council
AICM	Association of International Chemical Manufacturers
ASIQUIM	Asociacion de Industriales Quimicos de Chile (Association of the Chilean Chemical Producers)
CAP	Community Advisory Panel
CCPA	Canadian Chemical Producers' Associations
CDI-T	Chemical Distribution Institute - Terminals
CEFIC	European Chemical Industry Council
CEO	Chief Executive Officer
CIR	Continuous Improvement Request
CO ₂	Carbon Dioxide
ER	Emergency Response
GMT	Global Manufacturing Team
GRCT	Global Responsible Care Team
ISPS	International Ship and Port facility Security
JH&SC	Joint Health and Safety Committee
KPI	Key Performance Indicators
M&L	Marketing and Logistics
MeOH	Methanol
MOC	Management of Change
MP	Member of Parliament
MPP	Member of Provincial Parliament
NERM	National Emission Reduction Masterplan
OSHA	Occupational Safety and Health Administration
P&ID	Piping and Instrument Diagram
PAC	CAP in Chile
PCR	Process Change Request
PM	Preventative Maintenance
PPM	Predictive Preventative Maintenance
PRIM	Process Related Incidents Measure
PSM	Process Safety Management
QRA	Quantitative Risk Assessment
RC	Responsible Care
RCMS	Responsible Care Management System
RIT	Responsibilities, Indicators and Targets
SHARE	Safety and Health Analysis, Recognition and Exchange
SMRCPPC	Senior Management Responsible Care & Public Policy Committee
SOFOFA	Chilean Federation of Industry
SQAS	Safety & Quality Assessment System
SQC	Spanish for Controlled Chemical Substances
SVA	Security Vulnerability Assessments
TDG	Transportation of Dangerous Goods
TIM	Transportation Incidents Measurement
TransCAER	Transportation Community Awareness and Emergency Response