

2019

Responsible Care and Sustainability Summary Report



A RESPONSIBLE CARE® COMPANY





"Responsible Care and sustainability are vital to our strategy. They are about understanding our connection to society and the planet and aligning our priorities so we can be in business for the long term."

John Floren, President and Chief Executive Officer



1,544

employees



6

manufacturing sites



12

global office locations



11

methanol plants



9.2

million tonnes
production capacity in 2019



3.3

billion USD in revenue

We are Methanex: the world's largest producer and supplier of methanol to major international markets in North America, Asia Pacific, Europe, and South America.

Headquartered in Vancouver, Canada, Methanex operates production sites in Canada, Chile, Egypt, New Zealand, Trinidad and Tobago, and the United States.

Our global operations are supported by a global supply chain of terminals, storage facilities, and the world's largest dedicated fleet of methanol ocean tankers.

In this summary report, we provide an overview of our 2019 Responsible Care and Sustainability performance in the areas of health, safety, environmental, community, and product stewardship practices. For the full version of the report, please see:
www.methanex.com/responsible-care/responsible-care-sustainability-reports



40%
of our fleet powered
by methanol

Growth of M100 taxis in
China reaches



20,000

Methanol-fueled furnaces
installed in Jinzhong grows to



27,000

Sustainable Energy and Methanol

As the global leader in the methanol industry, we are committed to developing clean energy applications and meeting the demand for an economically viable alternative-energy solution. Global demand for clean energy and concern for improving the environment are driving innovations with methanol as a marine and vehicle fuel, green methanol, and methanol thermal applications.

Approximately 50% of all methanol is used to produce traditional chemical derivatives, including formaldehyde, acetic acid, and a variety of other chemicals. Here are some other uses for methanol that we are actively working to develop and promote:

Growing our methanol/dual-fuel fleet

Our Waterfront Shipping fleet added four new second-generation methanol/dual-fuel vessels in 2019, bringing the fleet total to 11. When used instead of heavy fuel oil as a marine fuel, methanol significantly reduces emissions of sulphur oxides (SO_x), nitrogen oxides (NO_x), and particulate matter.

Supporting alternative marine fuel initiatives

The LeanShips project, which we supported to completion, analyzed methanol as an alternative fuel for use in high-speed diesel engines for smaller vessels. It concluded that compared to other alternative fuels, methanol best meets the three criteria established for an ideal marine fuel: sustainable, scalable, and storable.

Growth of M100 as vehicle fuel

Working with automobile manufacturer Geely and other partners in China, we continue to support the growth of M100 (100% methanol) for vehicles through the delivery of Responsible Care safety training and the promotion of national guidelines.

Thermal applications for methanol in China

We supported the Jinzhong government's transition away from coal by developing a safety guidebook and delivering a seminar on the safe handling of methanol as boiler fuel. In Fujian province, we supported the pilot launch of the world's first methanol-fueled kiln.

Supporting the use of green methanol

We continue to advocate for and support the recognition of green methanol as low-carbon fuel in renewable energy policies like the Canadian Clean Fuel Standards and the European Renewable Energy Directive II (RED II).

Our contribution as a supplier of green products to the energy sector has been recognized with the 2019 Chemical and Ingredient Award from Avril Group, a producer of green biodiesel.

 **33%**
reduced CO₂ emissions
intensity (manufacturing)

 **17%**
reduced CO₂ emissions
intensity (marine)

 **32%**
waste recycled

 **0**
significant spills



Environment

We are driven by a commitment to conserve natural resources and address environmental regulations and concerns about climate change. We make efficient use of natural resources, such as natural gas, energy, and water. We monitor and minimize the waste and emissions we generate, and we maintain a comprehensive spill-prevention program.

Reducing CO₂ emissions from manufacturing through efficiency

Maintaining the reliability of our production facilities remains the most significant way we minimize CO₂ emissions. Projects to refurbish and debottleneck some of our plants will enable us to increase our annual production capacity and improve efficiency, which also helps to reduce emissions. Over the past 25 years, our CO₂ emissions intensity has decreased 33%.

Maintaining CO₂ intensity from marine shipping

The CO₂ emissions intensity from our marine shipping activities remained steady while both methanol and backhaul cargo volumes increased.

Reusing clean wastewater for community gardens

As one of our numerous water stewardship initiatives, we now pump about 1,500 m³ of clean effluent to water community gardens in New Damietta, Egypt.

Minimizing waste sent to landfills by recycling

The waste generated by our operations increased in 2019 due to a greater number of major plant projects. Of the total waste generated, 93% was nonhazardous and 32% was recycled.

Preventing significant spills

For the second year in a row, we had zero significant spills to the environment.

Key performance indicators

CO ₂ emissions intensity from manufacturing	0.59 tonnes CO ₂ /tonne of methanol
CO ₂ intensity from marine shipping	75.1 kg CO ₂ /tonne of cargo
Freshwater consumption intensity	2.75 m ³ /tonne of methanol
Fines for noncompliance	USD \$0
Methanol production (equity share)	7,589,000 tonnes

Complete KPI data available in our full report



Workplace

 **28%**
below injury
frequency target

 **1.3**
million additional labour
hours work

 **77**
global travel/work
assignments

 **26%**
improving in Learning
& Development Rating

The safety and well-being of our employees, contractors, and the communities in which we do business are our top priorities. Our talent-management programs provide employees with the knowledge and tools they need to be successful and opportunities to maximize their potential. An engaged One Team workforce and culture are key components of our competitive advantage.

Top safety performance

During a year of intensive work projects and focus on safety, we achieved one of the best annual occupational safety performances in our history: employee and contractor injury frequency and severity rates fell significantly.

Process safety awareness

A process-safety management workshop we delivered in Egypt was attended by over 350 leaders and executives of the country's oil, gas, and petrochemicals industry. At the workshop, we shared our lessons from a significant process-safety incident that took place at Methanex in 2019.

Investing in our leaders

Through our Executive Leadership Program, senior leaders explored diversity, inclusion, talent management, and the needs of the next generation to meet the complex challenges of leading a global organization in the 21st century.

Listening to our employees

Our 2019 Global Employee Pulse Check survey received responses from 93% of our employees. Learning and Development, an area we were seeking to improve, scored notably higher than previous years.

Key performance indicators

People trained on hazard awareness and mitigation	250
Females in senior management	1 (17%)
Females on Methanex's Board of Directors	4 (33%)



22

community advisory
panel meetings



12,620

hours volunteering
in communities



304

community organizations
supported



Community

We strive to create positive and sustainable impacts in the communities and regions where we have a significant presence. We focus on initiatives that communicate our business activities, address local concerns, and ensure the safety and well-being of our communities. We regularly provide financial contributions and volunteer time to support community programs, services, and events.

Community engagement

We held 22 community advisory panel (CAP) meetings to engage with community members on topics that are important to them, including environmental protection, education initiatives, and employment.

Safety awareness

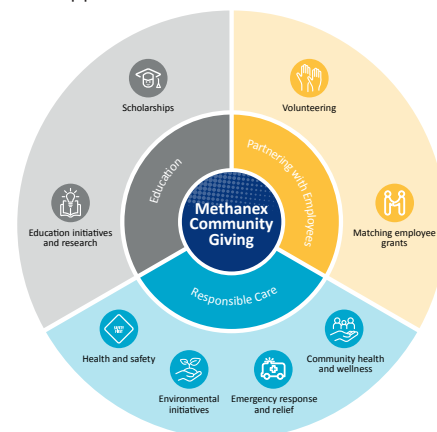
Our Medicine Hat and Geismar locations participated in Community Awareness and Emergency Response events to educate the communities on topics such as safety procedures and firefighting tactics for rail emergencies.

Addressing youth employment in Egypt

We received the Humane Entrepreneurship Award from International Council for Small Business for our contributions to the International Labour Organization's Decent Jobs for Egypt's Young People initiative and our work to enrich enterprise culture in Damietta.

Investing and volunteering

In 2019, we invested USD \$1.67 million and contributed 12,620 hours to support communities around the world.





 **100%**
ship safety visits and
training completed

 **2,603**
people at methanol
safety seminars

 **798**
organizations educated
on methanol safety

Product Stewardship

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

Strengthening marine safety practices

We expanded our marine safety inspection program by applying lessons learned from incidents and helped our ship-management companies support safety onboard the ships.

Closing safety gaps at our terminals

In collaboration with Methanex global terminals, we work to find solutions that will close safety gaps and optimize the effectiveness of safety measures. In 2019 we hosted our first workshop on safe terminal operations in Latin America.

Awarded the American Railroad Association's Grand Slam Award

Our North American team received Safe Shipper rail awards from Canadian Pacific, BNSF, Union Pacific, Norfolk Southern,

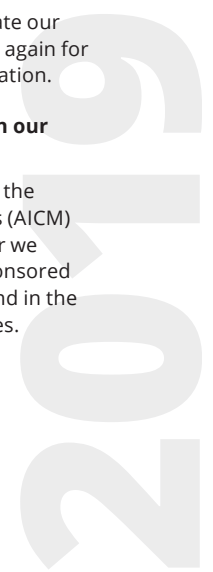
and Canadian National rail lines. These awards demonstrate our exemplary shipping safety practices and qualified us once again for the Grand Slam Award from the American Railroad Association.

Advocating for Responsible Care in our industry and in our communities

Methanex Asia Pacific was awarded the RC Merit Award at the 2019 Association of International Chemical Manufacturers (AICM) Responsible Care conference, the second consecutive year we received this award for our work in China. In Brazil, we sponsored the Biodiesel BR Conference, the largest congress of its kind in the region, and presented on safe methanol-handling practices.

Key performance indicators

Responsible Care seminars held globally	75
Marine safety training sessions	118
Terminal inspections	32



If you have any questions or comments about this report or our Responsible Care and sustainability activities, please contact us.

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