



2023

REPORT

Fighting Against Forced Labour and Child Labour

Our Business

This Report is provided in accordance with the *Fighting Against Forced Labour and Child Labour Act (the Act)* for the year ending December 31, 2023.

Methanex Corporation is a *Canada Business Corporations Act* company, headquartered in Vancouver, Canada, with common shares traded on the Toronto Stock Exchange and on the NASDAQ Global Select Market. Methanex is the world's largest producer and supplier of methanol, a commodity petrochemical, to the major international markets in Asia Pacific, North America, Europe and South America.

Our methanol production sites are located in the United States, New Zealand, Trinidad, Chile, Egypt and Canada. We sell methanol on a worldwide basis to every major market through an extensive marketing and distribution system with marketing offices in North America (Dallas and Vancouver), Europe (Brussels), Asia Pacific (Hong Kong, Shanghai, Tokyo, Seoul and Beijing), South America (Santiago) and the Middle East (Dubai). Please see our [Annual Information Form](#) for a description of our principal operating subsidiaries. In addition to the methanol produced at our sites, we also sell methanol that we purchase from other suppliers through methanol purchase agreements and on the spot market. We have marketing rights for 100 per cent of the production from the jointly-owned plants in Trinidad and Egypt.

The majority of methanol that we sell in Canada is produced at our production site in Medicine Hat, Alberta. We also import a small amount of methanol into Canada from our production sites in the United States and Trinidad.

All of our methanol production facilities except Medicine Hat, Alberta are located adjacent to deepwater ports. Methanol is pumped from our coastal plants by pipeline to these ports for shipping. We lease or own in-region storage and terminal facilities in North America, Europe, South America and Asia Pacific. We also use barge, rail, pipelines, and, to a lesser extent, truck transport in our delivery system. Our subsidiary, Waterfront Shipping Limited,¹ is a global marine transportation company specializing in the safe, responsible and reliable transport of methanol and clean petroleum products to major international markets in Asia Pacific, North America, Europe and South America. Waterfront Shipping is based in Canada and operates its fleet of 30 vessels mostly through long-term time charters, with 50 per cent ownership of five of the 30 vessels.

¹ Mitsui O.S.K Lines, Ltd. has a 40 per cent minority interest in Waterfront Shipping Limited.

Our Policies and Due Diligence Processes

At Methanex, we are committed to respecting and promoting human rights and safe working conditions. We conduct all business activities in accordance with our Core Values of Trust, Respect, Integrity and Professionalism, our industry commitment to the Responsible Care® Ethic and Principles for Sustainability, a United Nations recognized chemical-industry initiative, and our Code of Business Conduct. Our standard procurement contracts require our suppliers to comply with all applicable laws and with applicable Responsible Care policies.

Methanex will not tolerate the exploitation of children, or the trafficking, physical punishment, abuse, or involuntary servitude of any worker. Our [Human Rights Policy](#) explicitly prohibits the use of forced labour and child labour, slavery or human trafficking in any of our global operations or facilities, and extends this prohibition to our suppliers and contractors. This prohibition in our operations and facilities is also reflected in our [Code of Business Conduct](#).

Our Contractor Management Standard also outlines a consistent, global approach for contractor selection and onboarding, on-site supervision and risk management, offboarding, and performance review for all contractors working at our manufacturing sites. The Standard includes rigorous health and safety requirements to verify that contractors working within our manufacturing environment have the appropriate knowledge, skills and training to work safely. We believe that focusing on building and maintaining a strong safety culture amongst the contractors we engage also has the benefit of reducing the risk of forced labour and child labour.

As part of its due diligence, Waterfront Shipping will only do business with shipping companies that have an International Transport Workers' Federation (ITF) Blue Card. An ITF Blue Card signifies that the ship owner has entered into an ITF Agreement with an ITF maritime affiliate union, which provides the seafarers basic pay, guaranteed overtime, overtime rate, leave pay and subsistence allowance. In addition, all of its vessels have clear stop-work processes with "speak-up" policies and anonymous grievance hotlines. Waterfront Shipping also conducts safety visits on each of its time charter vessels annually and has been doing so for more than 10 years. In 2023, we also expanded this program to our spot and contract of affreightment vessels. These visits include checking that the crew work-rest balance is being monitored and crew are getting adequate rest and shore-leave, the atmosphere on board the vessel is respectful, and efforts are made to promote mental health awareness and monitoring.

Forced Labour and Child Labour Risks

In 2023, we completed a gap analysis in line with the OECD Due Diligence Guidance for Responsible Business Conduct, and a risk assessment of forced labour and child labour in our supply chain, focusing on 200 Tier 1 suppliers, which represented approximately 98 per cent of our global spend. We conducted a desktop risk assessment of the countries and industries in which these suppliers operate which considered several factors associated with a risk of forced labour or child labour from reputable international sources, such as UNICEF, the International Labour Organization, Walk Free's Global Slavery Index and the UN Global Compact. Most of the countries in which we operate and the products and services that we procure are at low or medium risk of child labour or forced labour.

We identified two countries with a higher-risk for forced labour or child labour where we have manufacturing sites, as well as five other higher-risk countries from which we source goods from time to time. We are considering whether those risks impact our suppliers and have identified initial recommendations for additional due diligence. We are currently evaluating the scope of these recommendations.

We evaluated services and products in our supply chain and identified ocean freight, contracting services (e.g., construction-related services), and catalysts as having a higher risk of forced labour or child labour (pre-mitigation efforts). Our due diligence processes for ocean freight and contracting services are described above. The production of catalysts is at higher risk because they have the potential to contain "conflict minerals" (tungsten, tantalum, titanium and cobalt). We currently purchase all our catalysts from one supplier and have reviewed their modern slavery statement.

We have confirmed that this supplier is aligned to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas, ethically sources all their critical minerals and conducts due diligence to verify that they source tungsten, tantalum, titanium or cobalt that do not contribute to armed conflict, unethical business practices or human rights abuses in conflict-affected and high-risk areas.

Remediation, Training and Effectiveness

REMEDICATION

We have not identified any instances of forced labour or child labour in our activities or supply chain and do not currently have a formal policy on how we would remediate any loss related to such activities.

TRAINING

All team members, including Methanex Board members, are required to annually complete a Code of Business Conduct e-learning module as part of our Annual Values Refresher, including a short test to verify they understood the content. All senior leaders are also required to acknowledge their responsibility to communicate expectations in the Code to team members under their supervision. New team members must review and acknowledge the Code as part of our hiring and onboarding process.

ASSESSING EFFECTIVENESS

The Corporate Governance Committee of the Board has oversight of management's work regarding child labour and forced labour and compliance with relevant legislation, and will receive an update annually regarding risks and progress against identified recommendations.

Attestation

In accordance with the requirements of the Act, and in particular, section 11 thereof, I attest that I have reviewed the information contained in this report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Maureen Howe

Chair of the Corporate Governance Committee

"I have the authority to bind Methanex Corporation."

March 7, 2024

Methanex Corporation

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