

September 16, 2014

Via Email

Ms. Rania Fazah,
Middle East Researcher & Representative
Business & Human Rights Resource Centre
fazah@business-humanrights.org

Dear Ms. Fazah:

We appreciate the opportunity to provide Agrium's position on this important matter in response to your request for your newsletter where you will be making reference to a recent report issued by the Western Sahara Resource Watch.

At the outset we feel it is important to clarify that Agrium entered into the supply agreement with OCP in an effort to maintain our phosphate operations, including the associated jobs, at our Redwater, Alberta, Canada facility as our primary Canadian phosphate rock supply was reaching its end of life. Agrium's goal is to eventually move back to being fully integrated with respect to developing our own rock source to supply our Redwater phosphate facility.

We feel it is also important to clarify that Agrium does not take a political position on issues related to disputed territorial claims. Rather, Agrium looks to guidance from the Canadian and US governments before entering into any agreement which may be related to the relevant territory. In addition, Agrium has sought and received legal advice to ensure that our position is in compliance with international, Canadian and US law in respect of the importation of phosphate rock from this region. In sum, Agrium's agreement with OCP complies with the respective trade and custom laws of these jurisdictions.

Agrium's legal department has sought expert policy and legal advice on the UN Under-Secretary-General for Legal Affairs' Legal Opinion issued in 2002, the application of the OECD Guidelines and the UN Global Compact. The advice determined that the legal opinion should be viewed as a guideline. The legal opinion has not been adopted within the framework of the United Nations, is not part of international law, and has no force or effect. In addition, it was drafted fully out of context of the existing circumstances in connection with potential oil and gas development, not mineral resource extraction in circumstances of developed infrastructure and social services. The legal opinion also doesn't assist in the determination of issues the international community is struggling with, those being, who the "people" are, what "benefits" need to be and who are the legitimate representatives of the "people".

Agrium's influence is limited to the mines and production sites that are under commercial agreements to provide products or services. This would include ensuring, through our due diligence and ongoing evaluation efforts, that the mines from which we source rock, operate in a responsible manner and in compliance with our corporate responsibility practices. Through our due diligence, we sought and received a variety of information from OCP on their business, including key performance indicators on their environmental performance, community investment, labour profile, etc. We have encouraged OCP to make public some of this information which they have since done. We continue to encourage them to go even further with these disclosures and ensuring that such information is updated regularly. We have also conducted several site visits to OCP's operations that are part of our supply agreement and will continue to do so periodically.

In fact, with respect to the OECD Guidelines and the UN Global Compact, each explicitly recognizes the limitations upon which corporations can act and the Global Compact specifically states the ability of corporations to implement its 'principles' is limited to a reasonable sphere of influence. Agrium believes it is doing so and that we have been a positive influence to date.

Agrium has also recently posted its Corporate Social Responsibility Policy to its website, which includes significant elements regarding human rights. This policy translates into internal policies and procedures that we are currently stewarding towards and we are committed to continuously improve these policies and procedures. Included in our Corporate Social Responsibility Policy is a Supplier Code of Conduct which Agrium has committed to implementing by the end of this calendar year. You can find Agrium's Corporate Social Responsibility Policy at:

http://www.agrium.com/docs/CSR_Policy.pdf

Again, we appreciate the opportunity to provide Agrium's position on this matter.